



Reprinted
February 26, 2002

ENGROSSED HOUSE BILL No. 1196

DIGEST OF HB 1196 (Updated February 25, 2002 6:08 PM - DI 101)

Citations Affected: IC 4-21.5; IC 4-33; IC 6-1.1; IC 6-1.5; IC 6-2.5; IC 6-3.1; IC 6-3.5; IC 6-8.1; IC 6-9; IC 8-16; IC 12-7; IC 12-15; IC 13-21; IC 21-2; IC 33-3; IC 34-6; IC 36-2; IC 36-7; IC 36-8; noncode.

Synopsis: Property tax and budget matters. Makes various amendments for consistency with the change of assessed value to 100% of true tax value. Provides that the assessed value for property tax purposes of personal property construction in process is 10% of cost. Includes personal property assessed as construction in process in Vigo County in the determination of property tax abatement. Adjusts the amount of the deduction for new manufacturing equipment installed before March 2, 2001 in an economic revitalization area. Requires a county property tax assessment board of appeals or the Indiana board of tax review to consider all evidence relevant to the assessment of real property regardless of whether the evidence was submitted to the township assessor before the assessment of the property. Prohibits disclosure of confidential information by a contractor for the discovery of undervalued or omitted property, and establishes consequences for disclosure. Corrects certain appeal filing periods to the Indiana board
(Continued next page)

Effective: January 1, 2001 (retroactive); July 1, 2001 (retroactive); January 1, 2002 (retroactive); March 1, 2002 (retroactive); April 1, 2002 (retroactive); upon passage; May 1, 2002; July 1, 2002; January 1, 2003.

Bauer, Welch

(SENATE SPONSORS — BORST, SIMPSON, KENLEY, ALEXA, HUME)

January 10, 2002, read first time and referred to Committee on Ways and Means.
January 30, 2002, amended, reported — Do Pass.
February 4, 2002, read second time, amended, ordered engrossed.
February 5, 2002, engrossed. Read third time, passed. Yeas 60, nays 35.

SENATE ACTION

February 11, 2002, read first time and referred to Committee on Finance.
February 21, 2002, amended, reported favorably — Do Pass.
February 25, 2002, read second time, amended, ordered engrossed.

EH 1196—LS 7253/DI 52+



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of tax review established in HEA 1299-2001. Provides that certain cumulative fund rate adjustments apply for only one year after a general reassessment. Makes certain amendments with respect to excessive levy appeals. Provides that if a political subdivision does not fix the budget, tax rate, and tax levy for the ensuing budget year, the most recent annual budget and tax levy are continued for the ensuing budget year. Eliminates the requirement for a township trustee to advertise a poor relief tax rate. With respect to bonds and leases: (1) permits an objection petition to the department of local government finance only if a local objection petition was filed; (2) applies certain provisions for objection only if the project cost is more than \$2,000,000; and (3) requires a school corporation to disclose expected new facility operating costs and whether a levy appeal will be made to pay those costs. Makes other changes to property tax administration. Makes numerous changes concerning the independent reassessment of Lake County. Redistributes two cents of the riverboat admissions taxes collected from the riverboats docked in Lake County from the county convention and tourism bureau to the northwest Indiana law enforcement training center. Provides a sales tax exemption for transactions involving property that is: (1) capable of providing broadband Internet service; (2) owned by or leased to a broadband service provider; and (3) located outside a customer's premises. Expands eligibility for the economic development for a growing economy (EDGE) tax credit by making the credit available for certain projects to retain existing jobs as well as for projects to create jobs. Eliminates the requirement that an applicant for a job creation credit must verify that the applicant has considered locating the project in at least one other state. Makes numerous changes to the county adjusted gross income tax, the county option income tax, and the county economic development income tax. Requires the department of state revenue to enter into an agreement with the fiscal officer of an entity that has adopted an innkeeper's tax, a food and beverage tax, or an admissions tax to provide the fiscal officer annually with: (1) the name of each business collecting the taxes; and (2) the amount of money collected from each business. Prohibits the fiscal officer from divulging any information disclosed to the fiscal officer by the department under the agreement. Provides that a trust, life insurance policy, or prepaid funeral agreement is not exempt as a resource in determining Medicaid eligibility unless amounts remaining after delivery of services are payable to the office of Medicaid policy and planning (OMPP) or the applicant's or recipient's estate. Subject to certain limitations, authorizes the OMPP to place a lien on a Medicaid recipient's real property if the office determines that the recipient will not return to live in the property. Provides that an area consisting of property that (1) is located in the city of Marion; and (2) experienced a loss of at least 300 jobs during the year ending December 31, 2001; is added to and becomes a part of the community revitalization enhancement district designated in the city and approved by the budget agency before January 1, 2002. Makes various changes to the professional sports and convention development tax area statutes. Updates population parameters to reflect changes in the 2000 decennial census. Increases the Vanderburgh County innkeeper's tax from 5% to 6%. Designates the revenue generated by the 1% increase to be used for: (1) operating expenses of the convention and visitors commission; and (2) tourism capital improvement.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED HOUSE BILL No. 1196

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-21.5-5-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The
3 following ~~persons~~ have standing to obtain judicial review of an agency
4 action:

5 (1) A person to whom the agency action is specifically directed.

6 (2) A person who was a party to the agency proceedings that led
7 to the agency action.

8 (3) A person eligible for standing under a law applicable to the
9 agency action.

10 (4) A person otherwise aggrieved or adversely affected by the
11 agency action.

12 **(5) The department of local government finance with respect**
13 **to judicial review of a final determination of the Indiana**
14 **board of tax review in an action in which the department has**
15 **intervened under IC 6-1.1-15-5(b).**

16 (b) A person has standing under subsection (a)(4) only if:

17 (1) the agency action has prejudiced or is likely to prejudice the

EH 1196—LS 7253/DI 52+



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interests of the person;

(2) the person:

(A) was eligible for an initial notice of an order or proceeding under this article, was not notified of the order or proceeding in substantial compliance with this article, and did not have actual notice of the order or proceeding before the last date in the proceeding that the person could object or otherwise intervene to contest the agency action; or

(B) was qualified to intervene to contest an agency action under IC 4-21.5-3-21(a), petitioned for intervention in the proceeding, and was denied party status;

(3) the person's asserted interests are among those that the agency was required to consider when it engaged in the agency action challenged; and

(4) a judgment in favor of the person would substantially eliminate or redress the prejudice to the person caused or likely to be caused by the agency action.

SECTION 2. IC 4-33-12-6, AS AMENDED BY P.L.215-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by ~~subsection~~ **subsections (c) and (d)** and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is ~~described in IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b)~~; **located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000);** or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received

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under subdivision (1)(B).

(3) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter. This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-15 shall receive one dollar (\$1) of the admissions tax

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collected for each person embarking on the riverboat during the quarter.

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(5) The division of mental health and addiction shall receive ten cents (\$0.10) of the admissions tax collected for each person embarking on the riverboat during the quarter. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the city in which the riverboat is docked.

(2) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county in which the riverboat is docked.

(3) Eight cents (\$0.08) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Two cents (\$0.02) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the northwest Indiana law enforcement training center.

(5) Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission for use in any activity that the commission is authorized to carry



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out under IC 15-1.5-3.

(6) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

~~(d)~~ (e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), ~~or~~ subsection (c)(1), **or subsection (d)(1) through (d)(2):**

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5, but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

~~(e)~~ (f) Money paid by the treasurer of state under ~~subsection~~ **subsections (b)(3) or (d)(3)** shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or



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1 (B) the county's general fund if the county does not have a
 2 convention and visitor promotion fund; and

3 (2) used only for the tourism promotion, advertising, and
 4 economic development activities of the county and community.

5 ~~(f)~~ (g) Money received by the division of mental health and
 6 addiction under subsections (b)(5), ~~and~~ (c)(5), and (d)(6):

7 (1) is annually appropriated to the division of mental health and
 8 addiction;

9 (2) shall be distributed to the division of mental health and
 10 addiction at times during each state fiscal year determined by the
 11 budget agency; and

12 (3) shall be used by the division of mental health and addiction
 13 for programs and facilities for the prevention and treatment of
 14 addictions to drugs, alcohol, and compulsive gambling, including
 15 the creation and maintenance of a toll free telephone line to
 16 provide the public with information about these addictions. The
 17 division shall allocate at least twenty-five percent (25%) of the
 18 money received to the prevention and treatment of compulsive
 19 gambling.

20 SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.273-1999,
 21 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2002]: Sec. 5. After funds are appropriated under section 4 of
 23 this chapter, each month the treasurer of state shall distribute the tax
 24 revenue deposited in the state gaming fund under this chapter to the
 25 following:

26 (1) Twenty-five percent (25%) of the tax revenue remitted by
 27 each licensed owner shall be paid:

28 (A) to the city that is designated as the home dock of the
 29 riverboat from which the tax revenue was collected, in the case
 30 of:

31 (i) a city described in IC 4-33-12-6(b)(1)(A); or

32 (ii) a city located in a county having a population of more
 33 than four hundred thousand (400,000) but less than
 34 seven hundred thousand (700,000);

35 (B) in equal shares to the counties described in IC 4-33-1-1(3),
 36 in the case of a riverboat whose home dock is on Patoka Lake;
 37 or

38 (C) to the county that is designated as the home dock of the
 39 riverboat from which the tax revenue was collected, in the case
 40 of a riverboat whose home dock is not in a city described in
 41 clause (A) or a county described in clause (B); and

42 (2) Seventy-five percent (75%) of the tax revenue remitted by

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each licensed owner shall be paid to the build Indiana fund lottery and gaming surplus account.

SECTION 4. IC 6-1.1-3-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 8.5. (a) For purposes of this section, "construction in process" means tangible personal property not placed in service, as defined in rules of the department of local government finance for the assessment of personal property of a taxpayer other than a public utility company (as defined in IC 6-1.1-8-2).**

(b) The assessed value of construction in process is ten percent (10%) of the cost recorded on the taxpayer's books and records that is attributable to the personal property, including all expenses incurred in acquiring or producing the personal property.

SECTION 5. IC 6-1.1-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. The township assessor shall:

(1) examine and verify; or

(2) allow a contractor under IC 6-1.1-36-12 to examine and verify;

the accuracy of each personal property return filed with ~~him~~ **the township assessor** by a taxpayer. If appropriate, the assessor **or contractor under IC 6-1.1-36-12** shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

SECTION 6. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

~~(b) In making a general reassessment of land used for agriculture, the county assessor shall appoint a committee of five (5) competent persons to help determine land values. At least two (2) of the committee members must be agricultural land owners of the county. The committee shall be known as the county agricultural land advisory committee. The indicators of value determined by this committee shall be submitted to the tax commissioners' agricultural advisory council, as established under IC 6-1.1-38-1, as guides for ascertaining the value of agricultural land.~~

(c) (b) The state board of tax commissioners department of local government finance shall give written notice to each county assessor of:

(1) the availability of the United States Department of



1 Agriculture's soil survey data; and

2 (2) the appropriate soil productivity factor for each type or
3 classification of soil shown on the United States Department of
4 Agriculture's soil survey map.

5 All assessing officials and the property tax assessment board of appeals
6 shall use the data in determining the true tax value of agricultural land.

7 ~~(d)~~ **(c)** The ~~state board of tax commissioners~~ **department of local**
8 **government finance** shall by rule provide for the method for
9 determining the true tax value of each parcel of agricultural land.

10 ~~(e)~~ **(d)** This section does not apply to land purchased for industrial,
11 commercial, or residential uses.

12 SECTION 7. IC 6-1.1-4-25, AS AMENDED BY P.L.198-2001,
13 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 25. (a) Each township assessor shall keep the
15 assessor's reassessment data and records current by securing the
16 necessary field data and by making changes in the assessed value of
17 real property as changes occur in the use of the real property. The
18 township assessor's records shall at all times show the assessed value
19 of real property in accordance with the provisions of this chapter. The
20 township assessor shall ensure that the county assessor has full access
21 to the assessment records maintained by the township assessor.

22 (b) The township assessor in a county having a consolidated city, or
23 the county assessor in every other county, shall:

24 (1) maintain an electronic data file of:

25 **(A)** the parcel characteristics and parcel assessments of all
26 parcels; **and**

27 **(B) the personal property return characteristics and**
28 **assessments by return;**

29 for each township in the county as of each assessment date; ~~that~~
30 ~~is~~

31 **(2) maintain the file** in the form required by:

32 **(A)** the legislative services agency; and

33 **(B)** the department of local government finance; and

34 ~~(2)~~ **(3)** transmit the data **in the file** with respect to the assessment
35 date of each year before October 1 of the year to:

36 **(A)** the legislative services agency; and

37 **(B)** the department of local government finance.

38 SECTION 8. IC 6-1.1-4-27.5, AS ADDED BY P.L.198-2001,
39 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall
41 establish a property reassessment fund. The county treasurer shall
42 deposit all collections resulting from the property taxes that the county

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1 is required to levy under this section in the county's property
2 reassessment fund.

3 (b) With respect to the general reassessment of real property which
4 is to commence on July 1, 2004, the county council of each county
5 shall, for property taxes due in the year in which the general
6 reassessment is to commence and the two (2) years immediately
7 preceding that year, levy against all the taxable property of the county
8 an amount equal to one-third (1/3) of the estimated cost of the general
9 reassessment.

10 (c) With respect to a general reassessment of real property that is to
11 commence on July 1, 2008, and each fourth year thereafter, the county
12 council of each county shall, for property taxes due in the year that the
13 general reassessment is to commence and the three (3) years preceding
14 that year, levy against all the taxable property in the county an amount
15 equal to one-fourth (1/4) of the estimated cost of the general
16 reassessment.

17 (d) The state board of tax commissioners or the department of local
18 government finance shall give to each county council notice, before
19 January 1 **in a year** of the tax levies required by this section **for that**
20 **year.**

21 (e) The state board of tax commissioners or the department of local
22 government finance may raise or lower the property ~~taxes levied tax~~
23 **levy** under this section for a year if the state board or the department
24 determines it is appropriate because the estimated cost of ~~the a~~ general
25 reassessment, **including a general reassessment to be completed for**
26 **the March 1, 2002, assessment date**, has changed.

27 (f) If the county council determines that there is insufficient money
28 in the county's reassessment fund to pay all expenses (as permitted
29 under ~~section sections 28 28.5 and 32~~ of this chapter) relating to the
30 general reassessment of real property commencing July 1, 2000, the
31 county may, for the purpose of paying expenses (as permitted under
32 ~~section sections 28 28.5 and 32~~ of this chapter) relating to the general
33 reassessment commencing July 1, 2000, use money deposited in the
34 fund from ~~taxes levied in the tax levy under this section for~~ 2000 or
35 a later year.

36 SECTION 9. IC 6-1.1-4-28.5, AS ADDED BY P.L.198-2001,
37 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 UPON PASSAGE]: Sec. 28.5. (a) Money assigned to a property
39 reassessment fund under section 27.5 of this chapter may be used only
40 to pay the costs of:

- 41 (1) the general reassessment of real property, including the
42 computerization of assessment records;



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(2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books; and

(5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with an elected township assessor under IC 36-6-5-1 in every township, the county assessor does not review an appropriation under this section, and ~~only~~ the fiscal body must approve an appropriation under this section **after review and majority recommendation of the township assessors in the county.**

SECTION 10. IC 6-1.1-4-32, AS ADDED BY P.L.151-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) **As used in this section, "contract" refers to a contract entered into under this section.**

(b) As used in this section, "contractor" refers to a firm that enters into a contract with the state board of tax commissioners (before January 1, 2002) or the department of local government finance (after December 31, 2001) under this section.

(c) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

~~(b)~~ **(d)** Notwithstanding ~~IC 6-1.1-4-15~~ **sections 15** and ~~IC 6-1.1-4-17~~, **17 of this chapter** a township assessor in a qualifying county may not appraise property, or have property appraised, for the general reassessment of real property to be completed for the March 1, 2002, assessment date. Completion of that general reassessment in a qualifying county is instead governed by this section. The only duty of:



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(1) a township assessor in a qualifying county; or

(2) a county assessor of a qualifying county;

with respect to that general reassessment is to provide to the ~~state board~~ **department of tax commissioners local government finance** or the ~~state board's department's~~ contractor under subsection ~~(c)~~ **(e)** any support and information requested by the state board **(before January 1, 2002), department (after December 31, 2001),** or the contractor. **This subsection expires June 30, 2004.**

~~(c)~~ **(e)** The state board of tax commissioners **(before January 1, 2002) and the department of local government finance (after December 31, 2001)** shall select and contract with a nationally recognized certified public accounting firm with expertise in the appraisal of real property to appraise property for the general reassessment of real property in a qualifying county to be completed for the March 1, 2002, assessment date. **The department of local government finance may enter into additional contracts to provide software or other auxiliary services to be used for the appraisal of property for the general reassessment.** The contract applies for the appraisal of land and improvements with respect to all classes of real property in the qualifying county. The contract must include:

(1) a provision requiring the appraisal firm to:

(A) prepare a detailed report of:

(i) expenditures made after July 1, 1999, and before the date of the report from the qualifying county's reassessment fund under ~~IC 6-1.1-4-28; section 28 of this chapter (repealed);~~ and

(ii) the balance in the reassessment fund as of the date of the report; and

(B) file the report with:

(i) the legislative body of the qualifying county;

(ii) the prosecuting attorney of the qualifying county;

(iii) the ~~state board department of tax commissioners;~~ **local government finance;** and

(iv) the attorney general;

(2) a fixed date by which the appraisal firm must complete all responsibilities under the contract;

(3) **subject to subsection (t),** a provision requiring the appraisal firm to use the land values determined for the qualifying county under ~~IC 6-1.1-4-13.6; section 13.6 of this chapter;~~

(4) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

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(5) a provision requiring the appraisal firm to make periodic reports to the ~~state board department of tax commissioners;~~ **local government finance;**

(6) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (5) are to be made;

(7) a precise stipulation of what service or services are to be provided;

(8) a provision requiring the appraisal firm to deliver a report of the assessed value of each parcel in a township in the qualifying county to the ~~state board department of tax commissioners;~~ **local government finance;** and

(9) any other provisions required by the ~~state board department of tax commissioners;~~ **local government finance.**

After December 31, 2001, the department of local government finance has all the powers and duties of the state board of tax commissioners provided under a contract entered into under this subsection (as effective before January 1, 2002) before January 1, 2002. The contract is valid to the same extent as if it were entered into by the department of local government finance. However, a reference in the contract to the state board of tax commissioners shall be treated as a reference to the department of local government finance. The contract shall be treated for all purposes, including the application of IC 33-3-5-2.5, as the contract of the department of local government finance. This subsection expires June 30, 2004.

~~(d)~~ **(f)** At least one (1) time each month, the contractors that will make physical visits to the site of real property for reassessment purposes shall publish a notice under IC 5-3-1 describing the areas that are scheduled to be visited within the next thirty (30) days and explaining the purposes of the visit. The notice shall be published in a way to promote understanding of the purposes of the visit in the affected areas. After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (e), the ~~state board department of tax commissioners~~ **local government finance** shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment is subject to appeal by the taxpayer to the ~~state Indiana board of tax commissioners.~~ Except as provided in subsection ~~(e);~~ **(g)**, the procedures and time limitations that apply to an appeal to the ~~state Indiana board of tax commissioners~~ of a determination of the county property tax assessment board of appeals under IC 6-1.1-15 apply to an

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1 appeal under this subsection. A determination by the ~~state~~ **Indiana**
 2 ~~board of tax commissioners~~ of an appeal under this subsection is
 3 subject to appeal to the tax court under IC 6-1.1-15. **This subsection**
 4 **expires on the later of June 30, 2004, or the date a final**
 5 **determination is entered in the last pending appeal filed under this**
 6 **subsection.**

7 ~~(e)~~ **(g)** In order to obtain a review by the ~~state Indiana~~ board of tax
 8 ~~commissioners~~ under subsection ~~(d)~~, **(f)**, the taxpayer must file a
 9 petition for review with the appropriate county assessor within
 10 forty-five (45) days after the notice of the ~~state board department~~ of
 11 ~~tax commissioners local government finance~~ is given to the taxpayer
 12 under subsection ~~(d)~~. **(f). This subsection expires June 30, 2004.**

13 ~~(f)~~ **(h)** The ~~state board department~~ of tax ~~commissioners local~~
 14 ~~government finance~~ shall mail the notice required by subsection ~~(d)~~
 15 **(f)** within ninety (90) days after the ~~board department of local~~
 16 ~~government finance~~ receives the report for a parcel from the
 17 professional appraisal firm. **This subsection expires June 30, 2004.**

18 ~~(g)~~ **(i)** The **qualifying county shall pay the cost of a** any contract
 19 under this section ~~shall be paid without appropriation~~ from the
 20 ~~county property reassessment fund. of the qualifying county~~
 21 ~~established under IC 6-1.1-4-27. However, the maximum amount~~
 22 **that the qualifying county is obligated to pay for all contracts**
 23 **entered into under subsection (e) for the general reassessment of**
 24 **real property in the qualifying county to be completed for the**
 25 **March 1, 2002, assessment date is twenty-five million one hundred**
 26 **thousand dollars (\$25,100,000). A contractor may periodically**
 27 **submit bills for partial payment of work performed under a**
 28 **contract. Notwithstanding any other law, a contractor is entitled to**
 29 **payment under this subsection for work performed under a**
 30 **contract if the contractor:**

31 **(1) submits, in the form required by IC 5-11-10-1, a fully**
 32 **itemized, certified bill for the costs under the contract of the**
 33 **work performed to the department of local government**
 34 **finance for review;**

35 **(2) obtains from the department of local government finance:**
 36 **(A) approval of the form and amount of the bill; and**
 37 **(B) a certification that the billed goods and services billed**
 38 **for payment have been received and comply with the**
 39 **contract; and**

40 **(3) files with the county auditor of the qualifying county:**
 41 **(A) a duplicate copy of the bill submitted to the**
 42 **department of local government finance;**



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(B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and

(C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection. This subsection expires June 30, 2004.

~~(h)~~ (j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the state board of tax commissioners **(before January 1, 2002) and the department of local government finance (after December 31, 2001)** under this section:

- (1) The commissioner of the **Indiana** department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.
- (4) The governor.

~~(i)~~ (k) With respect to a general reassessment of real property to be completed under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** for an assessment date after the March 1, 2002, assessment date, the ~~state~~

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1 ~~board department of tax commissioners local government finance~~
 2 shall initiate a review with respect to the real property in a qualifying
 3 county or a township in a qualifying county, or a portion of the real
 4 property in a qualifying county or a township in a qualifying county.
 5 The ~~state board department of local government finance~~ may
 6 contract to have the review performed by an appraisal firm. The ~~state~~
 7 ~~board department of local government finance~~ or its contractor shall
 8 determine for the real property under consideration and for the
 9 qualifying county or township the variance between:

10 (1) the total assessed valuation of the real property within the
 11 qualifying county or township; and

12 (2) the total assessed valuation that would result if the real
 13 property within the qualifying county or township were valued in
 14 the manner provided by law.

15 ~~(j)~~ (l) If:

16 (1) the variance determined under subsection ~~(j)~~ (k) exceeds ten
 17 percent (10%); and

18 (2) the ~~state board department of tax commissioners local~~
 19 ~~government finance~~ determines after holding hearings on the
 20 matter that a special reassessment should be conducted;

21 the ~~state board department of local government finance~~ shall
 22 contract for a special reassessment by an appraisal firm to correct the
 23 valuation of the property.

24 ~~(k)~~ (m) If the variance determined under subsection ~~(j)~~ (k) is ten
 25 percent (10%) or less, the ~~state board department of tax~~
 26 ~~commissioners local government finance~~ shall determine whether to
 27 correct the valuation of the property under:

28 (1) sections 9 and 10 of this chapter; or

29 (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

30 ~~(h)~~ (n) The ~~state board department of tax commissioners local~~
 31 ~~government finance~~ shall give notice by mail to a taxpayer of a
 32 hearing concerning the ~~state board's intent of the department of local~~
 33 ~~government finance~~ to cause the taxpayer's property to be reassessed
 34 under this section. The time fixed for the hearing must be at least ten
 35 (10) days after the day the notice is mailed. The ~~state board~~
 36 ~~department of local government finance~~ may conduct a single
 37 hearing under this section with respect to multiple properties. The
 38 notice must state:

39 (1) the time of the hearing;

40 (2) the location of the hearing; and

41 (3) that the purpose of the hearing is to hear taxpayers' comments
 42 and objections with respect to the ~~state board's intent of the~~

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department of local government finance to reassess property under this chapter.

~~(m)~~ (o) If the ~~state board department~~ of ~~tax commissioners local government finance~~ determines after the hearing that property should be reassessed under this section, the ~~state board department of local government finance~~ shall:

- (1) cause the property to be reassessed under this section;
- (2) mail a certified notice of its final determination to the county auditor of the qualifying county in which the property is located; and
- (3) notify the taxpayer by mail of its final determination.

~~(n)~~ (p) A reassessment may be made under this section only if the notice of the final determination under subsection ~~(t)~~ (n) is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

~~(o)~~ (q) If the ~~state board department~~ of ~~tax commissioners local government finance~~ contracts for a special reassessment of property under this section, the ~~state board shall forward the bill for services of the contractor to the county auditor; and the qualifying county shall pay the bill, without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:~~

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;
- (2) obtains from the department of local government finance:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the qualifying county:
 - (A) a duplicate copy of the bill submitted to the department of local government finance;
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and
 - (C) the certification provided by the department of local government finance that indicates that the goods and



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services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

~~(p)~~ (r) A township assessor in a qualifying county or a county assessor of a qualifying county shall provide information requested in writing by the ~~state board department of tax commissioners~~ local government finance or the ~~state board's department's~~ contractor under this section not later than seven (7) days after receipt of the written request from the ~~state board department~~ or the contractor. If a township assessor or county assessor fails to provide the requested information within the time permitted in this subsection, the ~~state board department of tax commissioners~~ local government finance or the ~~state board's department's~~ contractor may seek an order of the tax court under IC 33-3-5-2.5 for production of the information.

~~(q)~~ (s) The provisions of this section are severable in the manner provided in IC 1-1-1-8(b).

(t) A contract entered into under subsection (e) is subject to this subsection. A contractor shall use the land values determined for the qualifying county under section 13.6 of this chapter to the extent that the contractor finds that the land values reflect the true tax value of land, as determined under the statutes and the rules of

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the department of local government finance. If the contractor finds that the land values determined for the qualifying county under section 13.6 of this chapter do not reflect the true tax value of land, the contractor shall determine land values for the qualifying county that reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. The land values determined by the contractor shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The contractor shall notify the county assessor and the township assessors in the qualifying county of the land values as modified under this subsection. This subsection expires June 30, 2004.

(u) A contractor acting under a contract under subsection (e) may notify the department of local government finance if:

(1) the county auditor fails to:

(A) certify the bill;

(B) publish the claim;

(C) submit the claim to the county executive; or

(D) issue a warrant or check;

as required in subsection (i) at the first opportunity the county auditor is legally permitted to do so;

(2) the county executive fails to allow the claim as required in subsection (i) at the first opportunity the county executive is legally permitted to do so; or

(3) a person or entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts the process under this section for payment of a bill submitted by a contractor under subsection (i).

This subsection expires June 30, 2004.

(v) The department of local government finance, upon receiving notice under subsection (u) from the contractor, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (b)(1) or (b)(2); or

(B) a person or entity acted or failed to act as described in subsection (b)(3); and

(2) provide to the treasurer of state the department of local government finance's approval under subsection (i)(2)(A) of the bill with respect to which the contractor gave notice under subsection (u).



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1 This subsection expires June 30, 2004.

2 (w) Upon receipt of the approval of the department of local
3 government finance under subsection (v), the treasurer of state
4 shall pay the contractor the amount of the bill approved by the
5 department of local government finance from money in the
6 possession of the state that would otherwise be available for
7 distribution to the qualifying county, including distributions from
8 the property tax replacement fund or distributions of admissions
9 taxes or wagering taxes. This subsection expires June 30, 2004.

10 (x) The treasurer of state shall withhold from the part
11 attributable to the county of the next distribution to the county
12 treasurer under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or
13 another law the amount of any payment made by the treasurer of
14 state to the contractor under subsection (w). Money shall be
15 deducted first from money payable under IC 6-1.1-21.4(b) and then
16 from all other funds payable to the qualifying county. This
17 subsection expires June 30, 2004.

18 (y) Compliance with subsections (u) through (x) shall be treated
19 as compliance with IC 5-11-10. This subsection expires June 30,
20 2004.

21 (z) IC 5-11-10-1.6(d) applies to the treasurer of state with
22 respect to the payment made in compliance with subsections (u)
23 through (x). This subsection and subsections (u) through (y) shall
24 be interpreted liberally so that the state shall, to the extent legally
25 valid, ensure that the contractual obligations of a county under this
26 section are paid. Nothing in this subsection or subsections (u)
27 through (y) shall be construed to create a debt of the state. This
28 subsection expires June 30, 2004.

29 SECTION 11. IC 6-1.1-5-9.1 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.1. (a) Except:

31 (1) as provided in subsection (b); and

32 (2) for civil townships described in section 9 of this chapter;
33 and notwithstanding the provisions of sections 1 through 8 of this
34 chapter, for all other civil townships having a population of thirty-five
35 thousand (35,000) or more, **for a civil township that falls below a**
36 **population of thirty-five thousand (35,000) at a federal decennial**
37 **census that takes effect after December 31, 2001**, and for all other
38 civil townships in which a city of the second class is located, the
39 township assessor shall make the real property lists and the plats
40 described in sections 1 through 8 of this chapter.

41 (b) **In a civil township that attains a population of thirty-five**
42 **thousand (35,000) or more at a federal decennial census that takes**

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effect after December 31, 2001, the county auditor shall make the real property lists and the plats described in sections 1 through 8 of this chapter unless the township assessor determines to assume the duty from the county auditor.

(c) With respect to these townships in which the township assessor makes the real property lists and the plats described in sections 1 through 8 of this chapter, the county auditor shall, upon completing the tax duplicate, return the real property lists to the township assessor for the continuation of the lists by the assessor. If land located in one (1) of these townships is platted, the plat shall be presented to the township assessor instead of the county auditor, before it is recorded. The township assessor shall then enter the lots or parcels described in the plat on the tax lists in lieu of the land included in the plat.

SECTION 12. IC 6-1.1-5.5-4, AS AMENDED BY P.L.198-2001, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) A person filing a sales disclosure form under this chapter shall pay a fee of five dollars (\$5) to the county auditor.

(b) Eighty percent (80%) of the revenue collected under this section and section 12 of this chapter shall be deposited in the county sales disclosure fund established under section 4.5 of this chapter. Twenty percent (20%) of the revenue shall be transferred to the state treasurer for deposit in the state assessment training fund established under section 4.7 of this chapter.

SECTION 13. IC 6-1.1-5.5-4.5, AS ADDED BY P.L.198-2001, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) The fiscal body of each county shall establish a sales disclosure fund. The county auditor shall deposit into the fund the money received under section 4 of this chapter. Money in the sales disclosure fund may be expended only for:

- (1) administration of this chapter;
- (2) verification of the information contained on a sales disclosure form;
- (3) training of assessing officials; or
- (4) purchasing computer software or hardware for a property record system.

(b) Except as provided in subsection (c), the county fiscal body shall appropriate the money in the sales disclosure fund for the purposes stated in subsection (a) based on requests by assessing officials in the county.

(c) In a county containing a consolidated city, the county fiscal body shall appropriate the money in the sales disclosure fund for



the purposes stated in subsection (a) based on a majority recommendation of the township assessors in the county.

SECTION 14. IC 6-1.1-5.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) A person who knowingly and intentionally:

- (1) falsifies the value of transferred real property; or
- (2) omits or falsifies any information required to be provided in the sales disclosure form;

commits a Class A ~~infraction~~ **misdemeanor**.

(b) A public official who knowingly and intentionally accepts:

- (1) a sales disclosure document for filing that:
 - (A) falsifies the value of transferred real property; or
 - (B) omits or falsifies any information required to be provided in the sales disclosure form; or
- (2) a conveyance document for recording in violation of section 6 of this chapter;

commits a Class A infraction.

SECTION 15. IC 6-1.1-5.5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) A party to a conveyance who:

- (1) is required to file a sales disclosure form under this chapter; and
- (2) fails to file a sales disclosure form at the time and in the manner required by this chapter;

is subject to a penalty in the amount determined under subsection (b).

(b) The amount of the penalty under subsection (a) is the greater of:

- (1) twenty-five dollars (\$25); or
- (2) twenty five thousandths of one percent (.025%) of the sale price of the real property transferred under the conveyance document.

(c) The township assessor in a county containing a consolidated city, or the county assessor in any other county, shall:

- (1) determine the penalty imposed under this section;
- (2) assess the penalty to the party to a conveyance; and
- (3) notify the party to the conveyance that the penalty is payable not later than thirty (30) days after notice of the assessment.

(d) The county auditor shall:

- (1) collect the penalty imposed under this section;



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(2) deposit penalty collections as required under section 4 of this chapter; and

(3) notify the county prosecuting attorney of delinquent payments.

(e) The county prosecuting attorney shall initiate an action to recover a delinquent penalty under this section. In a successful action against a person for a delinquent penalty, the court shall award the county prosecuting attorney reasonable attorney's fees.

SECTION 16. IC 6-1.1-8-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 4.5. (a) For purposes of this section, "construction in process" means tangible personal property not placed in service, as defined in rules of the department of local government finance for the assessment of personal property of a public utility company.**

(b) The assessed value of construction in process is ten percent (10%) of the cost recorded on the public utility company's books and records that is attributable to the personal property, including all expenses incurred in acquiring or producing the personal property.

SECTION 17. IC 6-1.1-8-30, AS AMENDED BY P.L.198-2001, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 30.** If a public utility company files its objections to the department of local government finance's tentative assessment of the company's distributable property in the manner prescribed in section 28 of this chapter, the company may initiate an appeal of the department's final assessment of that property by filing a petition with the Indiana board not more than **twenty (20) forty-five (45)** days after the department gives the public utility notice of the final determination. The public utility may petition for judicial review of the Indiana board's final determination to the tax court under IC 4-21.5-5. However, the company must:

(1) **file a verified** petition for judicial review; and

(2) mail to the county auditor of each county in which the public utility company's distributable property is located:

(A) a notice that the complaint was filed; and

(B) instructions for obtaining a copy of the complaint;

within **twenty (20) forty-five (45)** days after the date of the notice of the Indiana board's final determination.

SECTION 18. IC 6-1.1-10-21, AS AMENDED BY P.L.198-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 21. (a) The following tangible property is**

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1 exempt from property taxation if it is owned by, or held in trust for the
2 use of, a church or religious society:

- 3 (1) A building which is used for religious worship.
- 4 (2) Buildings that are used as parsonages.
- 5 (3) The pews and furniture contained within a building which is
6 used for religious worship.
- 7 (4) The tract of land, not exceeding ~~fifteen (15)~~ **fifty (50)** acres,
8 upon which a building described in this section is situated.

9 (b) To obtain an exemption for parsonages, a church or religious
10 society must provide the county auditor with an affidavit at the time the
11 church or religious society applies for the exemptions. The affidavit
12 must state that:

- 13 (1) all parsonages are being used to house one (1) of the church's
14 or religious society's rabbis, priests, preachers, ministers, or
15 pastors; and
- 16 (2) none of the parsonages are being used to make a profit.

17 The affidavit shall be signed under oath by the church's or religious
18 society's head rabbi, priest, preacher, minister, or pastor. The county
19 auditor shall immediately forward a copy of the affidavit to the county
20 assessor.

21 (c) Property referred to in this section shall be assessed to the extent
22 required under IC 6-1.1-11-9.

23 SECTION 19. IC 6-1.1-11-3, AS AMENDED BY P.L.198-2001,
24 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2002]: Sec. 3. (a) An owner of tangible property who wishes
26 to obtain an exemption from property taxation shall file a certified
27 application in duplicate with the ~~auditor~~ **county assessor** of the county
28 in which the property that is the subject of the exemption is located.
29 The application must be filed annually on or before May 15 on forms
30 prescribed by the department of local government finance. ~~The county~~
31 ~~auditor shall immediately forward a copy of the certified application to~~
32 ~~the county assessor.~~ Except as provided in sections 1, 3.5, and 4 of this
33 chapter, the application applies only for the taxes imposed for the year
34 for which the application is filed.

35 (b) The authority for signing an exemption application may not be
36 delegated by the owner of the property to any other person except by
37 an executed power of attorney.

38 (c) An exemption application which is required under this chapter
39 shall contain the following information:

- 40 (1) A description of the property claimed to be exempt in
41 sufficient detail to afford identification.
- 42 (2) A statement showing the ownership, possession, and use of



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the property.

(3) The grounds for claiming the exemption.

(4) The full name and address of the applicant.

(5) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

SECTION 20. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.4-2000, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment or new research and development equipment, or both, for which the person desires to claim a deduction under this chapter. The state board of tax commissioners shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment or new research and development equipment, or both, that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment or new research and development equipment, or both, and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment or new research and development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste

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1 or hazardous waste into energy or other useful products, an
 2 estimate of the amount of solid waste or hazardous waste that will
 3 be converted into energy or other useful products by the new
 4 manufacturing equipment.

5 With the approval of the state board of tax commissioners, the
 6 statement of benefits may be incorporated in a designation application.
 7 Notwithstanding any other law, a statement of benefits is a public
 8 record that may be inspected and copied under IC 5-14-3-3.

9 (c) The designating body must review the statement of benefits
 10 required under subsection (b). The designating body shall determine
 11 whether an area should be designated an economic revitalization area
 12 or whether the deduction shall be allowed, based on (and after it has
 13 made) the following findings:

14 (1) Whether the estimate of the cost of the new manufacturing
 15 equipment or new research and development equipment, or both,
 16 is reasonable for equipment of that type.

17 (2) With respect to:

18 (A) new manufacturing equipment not used to dispose of solid
 19 waste or hazardous waste by converting the solid waste or
 20 hazardous waste into energy or other useful products; and

21 (B) new research and development equipment;

22 whether the estimate of the number of individuals who will be
 23 employed or whose employment will be retained can be
 24 reasonably expected to result from the installation of the new
 25 manufacturing equipment or new research and development
 26 equipment, or both.

27 (3) Whether the estimate of the annual salaries of those
 28 individuals who will be employed or whose employment will be
 29 retained can be reasonably expected to result from the proposed
 30 installation of new manufacturing equipment or new research and
 31 development equipment, or both.

32 (4) With respect to new manufacturing equipment used to dispose
 33 of solid waste or hazardous waste by converting the solid waste
 34 or hazardous waste into energy or other useful products, whether
 35 the estimate of the amount of solid waste or hazardous waste that
 36 will be converted into energy or other useful products can be
 37 reasonably expected to result from the installation of the new
 38 manufacturing equipment.

39 (5) Whether any other benefits about which information was
 40 requested are benefits that can be reasonably expected to result
 41 from the proposed installation of new manufacturing equipment
 42 or new research and development equipment, or both.



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(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) ~~Except as provided in subsection (f), an owner of new manufacturing equipment whose statement of benefits is approved before May 1, 1991, is entitled to a deduction from the assessed value of that equipment for a period of five (5) years.~~ Except as provided in ~~subsections (f) and (i);~~ **subsection (h)**, an owner of new manufacturing equipment or new research and development equipment, or both, whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection ~~(h)~~ **(g)**. Except as provided in ~~subsections~~ **subsection (f), and (g)**, and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

- (1) the assessed value of the new manufacturing equipment or new research and development equipment, or both, in the year ~~that the equipment is installed;~~ **of deduction under the table set forth in subsection (e)**; multiplied by
- (2) the percentage prescribed in the table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
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1	1st	100%
2	2nd	75%
3	3rd	50%
4	4th	25%
5	5th and thereafter	0%
6	(5) For deductions allowed over a five (5) year period:	
7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	80%
10	3rd	60%
11	4th	40%
12	5th	20%
13	6th and thereafter	0%
14	(6) For deductions allowed over a six (6) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	85%
18	3rd	66%
19	4th	50%
20	5th	34%
21	6th	25%
22	7th and thereafter	0%
23	(7) For deductions allowed over a seven (7) year period:	
24	YEAR OF DEDUCTION	PERCENTAGE
25	1st	100%
26	2nd	85%
27	3rd	71%
28	4th	57%
29	5th	43%
30	6th	29%
31	7th	14%
32	8th and thereafter	0%
33	(8) For deductions allowed over an eight (8) year period:	
34	YEAR OF DEDUCTION	PERCENTAGE
35	1st	100%
36	2nd	88%
37	3rd	75%
38	4th	63%
39	5th	50%
40	6th	38%
41	7th	25%
42	8th	13%



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1	9th and thereafter	0%
2	(9) For deductions allowed over a nine (9) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	88%
6	3rd	77%
7	4th	66%
8	5th	55%
9	6th	44%
10	7th	33%
11	8th	22%
12	9th	11%
13	10th and thereafter	0%
14	(10) For deductions allowed over a ten (10) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	90%
18	3rd	80%
19	4th	70%
20	5th	60%
21	6th	50%
22	7th	40%
23	8th	30%
24	9th	20%
25	10th	10%
26	11th and thereafter	0%

(f) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment or new research and development equipment, or both, to the extent that it would cause the assessed value



of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process) in the immediately preceding year.

(g) If a deduction is not fully allowed under subsection (f) in the first year the deduction is claimed, then the percentages specified in subsection (d) or (e) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(h) (g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the state board of tax commissioners. A certified copy of the resolution shall be sent to the county auditor and the state board of tax commissioners.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(i) (h) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

SECTION 21. IC 6-1.1-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **This section does not apply to a county that contains a consolidated city. A**



1 county assessor shall reduce or increase the assessed value of any
 2 tangible property in order to attain a just and equal basis of assessment
 3 between the taxpayers of the county.

4 SECTION 22. IC 6-1.1-13-6 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. **This section**
 6 **does not apply to a county that contains a consolidated city.** A
 7 county assessor shall inquire into the assessment of the classes of
 8 tangible property in the various townships of the county before July 1
 9 in the year in which the general reassessment is to commence. The
 10 county assessor shall make any changes, whether increases or
 11 decreases, in the assessed values which are necessary in order to
 12 equalize these values in and between the various townships of the
 13 county. In addition, the county assessor shall determine the percent to
 14 be added to or deducted from the assessed values in order to make a
 15 just, equitable, and uniform equalization of assessments in and between
 16 the townships of the county.

17 SECTION 23. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.4-2000,
 18 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 4.5. (a) For purposes of
 20 this section, "personal property" means personal property other than
 21 inventory (as defined in IC 6-1.1-3-11(a)).

22 (b) An applicant must provide a statement of benefits to the
 23 designating body. The applicant must provide the completed statement
 24 of benefits form to the designating body before the hearing specified in
 25 section 2.5(c) of this chapter or before the installation of the new
 26 manufacturing equipment or new research and development
 27 equipment, or both, for which the person desires to claim a deduction
 28 under this chapter. The state board of tax commissioners shall prescribe
 29 a form for the statement of benefits. The statement of benefits must
 30 include the following information:

31 (1) A description of the new manufacturing equipment or new
 32 research and development equipment, or both, that the person
 33 proposes to acquire.

34 (2) With respect to:

35 (A) new manufacturing equipment not used to dispose of solid
 36 waste or hazardous waste by converting the solid waste or
 37 hazardous waste into energy or other useful products; and

38 (B) new research and development equipment;

39 an estimate of the number of individuals who will be employed or
 40 whose employment will be retained by the person as a result of
 41 the installation of the new manufacturing equipment or new
 42 research and development equipment, or both, and an estimate of

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the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment or new research and development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

With the approval of the state board of tax commissioners, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment or new research and development equipment, or both, is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment or new research and development equipment, or both.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new

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1 manufacturing equipment.

2 (5) Whether any other benefits about which information was
3 requested are benefits that can be reasonably expected to result
4 from the proposed installation of new manufacturing equipment
5 or new research and development equipment, or both.

6 (6) Whether the totality of benefits is sufficient to justify the
7 deduction.

8 The designating body may not designate an area an economic
9 revitalization area or approve the deduction unless it makes the
10 findings required by this subsection in the affirmative.

11 (d) Except as provided in subsection (f), an owner of new
12 manufacturing equipment whose statement of benefits is approved
13 before May 1, 1991, is entitled to a deduction from the assessed value
14 of that equipment for a period of five (5) years. Except as provided in
15 subsections (f) and (i), an owner of new manufacturing equipment or
16 new research and development equipment, or both, whose statement of
17 benefits is approved after June 30, 2000, is entitled to a deduction from
18 the assessed value of that equipment for the number of years
19 determined by the designating body under subsection (h). Except as
20 provided in subsections (f) and (g) and in section 2(i)(3) of this chapter,
21 the amount of the deduction that an owner is entitled to for a particular
22 year equals the product of:

23 (1) the assessed value of the new manufacturing equipment or
24 new research and development equipment, or both, in the year
25 that the equipment is installed; multiplied by

26 (2) the percentage prescribed in the table set forth in subsection
27 (e).

28 **For purposes of determining the deduction from assessed value**
29 **under this subsection in a county having a population of more than**
30 **one hundred five thousand (105,000) but less than one hundred ten**
31 **thousand (110,000), construction in process as of an assessment**
32 **date is treated as having been installed to the extent it would have**
33 **been assessed as new manufacturing equipment or new research**
34 **and development equipment if it had been installed before that**
35 **assessment date.**

36 (e) The percentage to be used in calculating the deduction under
37 subsection (d) is as follows:

38 (1) For deductions allowed over a one (1) year period:

39 YEAR OF DEDUCTION	PERCENTAGE
40 1st	100%
41 2nd and thereafter	0%

42 (2) For deductions allowed over a two (2) year period:



1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd	50%
4	3rd and thereafter	0%
5	(3) For deductions allowed over a three (3) year period:	
6	YEAR OF DEDUCTION	PERCENTAGE
7	1st	100%
8	2nd	66%
9	3rd	33%
10	4th and thereafter	0%
11	(4) For deductions allowed over a four (4) year period:	
12	YEAR OF DEDUCTION	PERCENTAGE
13	1st	100%
14	2nd	75%
15	3rd	50%
16	4th	25%
17	5th and thereafter	0%
18	(5) For deductions allowed over a five (5) year period:	
19	YEAR OF DEDUCTION	PERCENTAGE
20	1st	100%
21	2nd	80%
22	3rd	60%
23	4th	40%
24	5th	20%
25	6th and thereafter	0%
26	(6) For deductions allowed over a six (6) year period:	
27	YEAR OF DEDUCTION	PERCENTAGE
28	1st	100%
29	2nd	85%
30	3rd	66%
31	4th	50%
32	5th	34%
33	6th	25%
34	7th and thereafter	0%
35	(7) For deductions allowed over a seven (7) year period:	
36	YEAR OF DEDUCTION	PERCENTAGE
37	1st	100%
38	2nd	85%
39	3rd	71%
40	4th	57%
41	5th	43%
42	6th	29%



1	7th	14%
2	8th and thereafter	0%
3	(8) For deductions allowed over an eight (8) year period:	
4	YEAR OF DEDUCTION	PERCENTAGE
5	1st	100%
6	2nd	88%
7	3rd	75%
8	4th	63%
9	5th	50%
10	6th	38%
11	7th	25%
12	8th	13%
13	9th and thereafter	0%
14	(9) For deductions allowed over a nine (9) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	88%
18	3rd	77%
19	4th	66%
20	5th	55%
21	6th	44%
22	7th	33%
23	8th	22%
24	9th	11%
25	10th and thereafter	0%
26	(10) For deductions allowed over a ten (10) year period:	
27	YEAR OF DEDUCTION	PERCENTAGE
28	1st	100%
29	2nd	90%
30	3rd	80%
31	4th	70%
32	5th	60%
33	6th	50%
34	7th	40%
35	8th	30%
36	9th	20%
37	10th	10%
38	11th and thereafter	0%

39 (f) Notwithstanding subsections (d) and (e), a deduction under this
 40 section is not allowed in the first year the deduction is claimed for new
 41 manufacturing equipment or new research and development
 42 equipment, or both, to the extent that it would cause the assessed value



of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process, **except in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000)**) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process, **except in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000)**) in the immediately preceding year.

(g) If a deduction is not fully allowed under subsection (f) in the first year the deduction is claimed, then the percentages specified in subsection (d) or (e) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(h) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the state board of tax commissioners. A certified copy of the resolution shall be sent to the county auditor and the state board of tax commissioners.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(i) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate

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potential for harm.

SECTION 24. IC 6-1.1-15-1, AS AMENDED BY P.L.198-2001, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for review under this section; and
- (2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the assessor of the county in which the action is taken:

- (1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or
- (2) May 10 of that year;

whichever is later. The county assessor shall notify the county auditor that the assessment is under appeal.

(c) A change in an assessment made as a result of an appeal filed:

- (1) in the same year that notice of a change in the assessment is given to the taxpayer; and
- (2) after the time prescribed in subsection (b);

becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The department of local government finance shall prescribe the form of the petition for review of an assessment determination by a township assessor. The department shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the

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department. The form must require the petitioner to specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination.
- (2) All other facts relevant to the assessment determination.
- (3) The reasons why the petitioner believes that the assessment determination by the township assessor is erroneous.

(f) The department of local government finance shall prescribe a form for a response by the township assessor to the petition for review of an assessment determination. The department shall issue instructions for completion of the form. The form must require the township assessor to indicate:

- (1) agreement or disagreement with each item indicated on the petition under subsection (e); and
- (2) the reasons why the assessor believes that the assessment determination is correct.

(g) Immediately upon receipt of a timely filed petition on the form prescribed under subsection (e), the county assessor shall forward a copy of the petition to the township assessor who made the challenged assessment. The township assessor shall, within thirty (30) days after the receipt of the petition, attempt to hold a preliminary conference with the petitioner and resolve as many issues as possible. Within ten (10) days after the conference, the township assessor shall forward to the county auditor and county assessor a completed response to the petition on the form prescribed under subsection (f). The county assessor shall immediately forward a copy of the response form to the petitioner and the county property tax assessment board of appeals. If after the conference there are items listed in the petition on which there is disagreement, the property tax assessment board of appeals shall hold a hearing within ninety (90) days of the filing of the petition on those items of disagreement, except as provided in ~~subsection~~ **subsections (h) and (i)**. The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The township assessor or county assessor for the county must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the petitioner's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within sixty (60) days of the hearing, except as provided in ~~subsection~~ **subsections (h) and (i)**. If the township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.



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(h) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

(i) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

(j) The county property tax assessment board of appeals:

(1) may not require a taxpayer that files a petition for review under this section to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g); and

(2) may require the parties to the appeal to file not more than ten (10) days before the date of the hearing required under subsection (g) lists of witnesses and exhibits to be introduced at the hearing.

SECTION 25. IC 6-1.1-15-5, AS AMENDED BY P.L.198-2001, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Within fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing within fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a



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rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

(1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and

(2) shall issue a final determination within ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

Failure of the Indiana board to make a final determination within the time allowed under subdivision (2) shall be treated as a final determination affirming the original decision of the Indiana board.

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the reassessment fund under IC 6-1.1-4-27. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. **The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A:**

(1) township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section; or

(2) county auditor who made the original enterprise zone inventory credit determination under appeal under IC 6-1.1-20.8; is a party to the review under this section to defend the determination.

(c) To initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) within:

(1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or

(2) thirty (30) days after the Indiana board gives the person notice

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under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(f) or 4(g) of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor or elected township assessor. If the county executive determines upon a request under this subsection to not appeal to the tax court, the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget.

SECTION 26. IC 6-1.1-15-8, AS AMENDED BY P.L.198-2001, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If a final determination by the Indiana board regarding the assessment of any tangible property is vacated, set aside, or adjudged null and void under the decision of the tax court under IC 4-21.5-5, the matter of the assessment of the property shall be remanded to the Indiana board **for reassessment and further proceedings as specified in the decision of the tax court with instructions to the Indiana board to refer the matter to the:**

(1) department of local government finance with respect to an appeal of a determination made by the department; or

(2) county property tax assessment board of appeals with respect to an appeal of a determination made by the county board;

to make another assessment. Upon remand, the Indiana board may take action only on those issues specified in the decision of the tax court.

(b) ~~The Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** shall take action on a case ~~remanded~~ **referred** to it by the ~~tax court~~ **Indiana board under subsection (a)** not later than ninety (90) days after the date the ~~decision of the tax court is rendered;~~ **referral is made** unless an appeal of the final determination of the Indiana board is initiated under IC 4-21.5-5-16. ~~The Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** may petition the ~~tax court~~ **Indiana board** at any time for an extension of the ninety (90) day period. An extension shall be granted upon a showing of reasonable cause.



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(c) The taxpayer in a case remanded under subsection (a) may petition the tax court for an order requiring the ~~Indiana board department of local government finance or the county property tax assessment board of appeals~~ to show cause why action has not been taken pursuant to the ~~tax court's decision~~ **Indiana board's referral under subsection (a)** if:

(1) at least ninety (90) days have elapsed since the ~~tax court's decision~~ **referral** was ~~rendered~~; **made**;

(2) the ~~Indiana board department of local government finance or the county property tax assessment board of appeals~~ has not taken action on the issues specified in the tax court's decision; and

(3) an appeal of the tax court's decision has not been filed.

(d) If a case remanded under subsection (a) is appealed under IC 4-21.5-5-16, the ninety (90) day period provided in subsection (b) is tolled until the appeal is concluded.

SECTION 27. IC 6-1.1-15-9, AS AMENDED BY P.L.198-2001, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) If the assessment of tangible property is corrected by the ~~Indiana board department of local government finance or the county property tax assessment board of appeals~~ under section 8 of this chapter, the owner of the property has a right to appeal the ~~Indiana board's~~ final determination of the corrected assessment ~~In a case meeting the requirements of section 5(c)(1) or 5(c)(2) of this chapter, to the Indiana board.~~ The county executive also has a right to appeal the ~~Indiana board's~~ final determination of the reassessment **by the department of local government finance or the county property tax assessment board of appeals** but only upon request by the county assessor **or elected township assessor**.

(b) An appeal under this section must be initiated in the manner prescribed in section ~~5 3~~ of this chapter **or IC 6-1.5-5**.

SECTION 28. IC 6-1.1-15-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16. Notwithstanding any provision in the 2002 Real Property Assessment Manual and Real Property Assessment Guidelines for 2002-Version A, incorporated by reference in 50 IAC 2.3-1-2, a county property tax assessment board of appeals or the Indiana board shall consider all evidence relevant to the assessment of real property regardless of whether the evidence was submitted to the township assessor before the assessment of the property.**

SECTION 29. IC 6-1.1-17-3 IS AMENDED TO READ AS



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FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the ~~state board of tax commissioners~~ **department of local government finance** and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing.

~~(b) The trustee of each township of the county shall:~~

- ~~(1) estimate the amount necessary to meet the cost of poor relief in the township for the ensuing calendar year; and~~
- ~~(2) publish with the township budget a tax rate sufficient to meet the estimated cost of poor relief;~~

~~The taxes collected as a result of this rate shall be credited to the county poor fund.~~

~~(c)~~ **(b)** The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

SECTION 30. IC 6-1.1-17-5, AS AMENDED BY P.L.178-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

- (1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.
- (2) The fiscal body of a second class city, not later than September 30.
- (3) The board of school trustees of a school corporation that is located in a city having a population of more than ~~ninety thousand (90,000) but less than one hundred ten thousand (110,000); one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000)~~, not later than the time required in



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section 5.6 of this chapter.

(4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 31. IC 6-1.1-17-13 IS AMENDED TO READ AS



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FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. **(a) Except as provided in subsection (b),** ten (10) or more taxpayers may initiate an appeal from the county board of tax adjustment's action on a political subdivision's budget by filing a statement of their objections with the county auditor. The statement must be filed within ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget and tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the ~~state board of tax commissioners~~ **department of local government finance.**

(b) This subsection applies to provisions of the budget and tax levy of a political subdivision:

(1) against which an objection petition was filed under section 5(b) of this chapter; and

(2) that were not changed by the fiscal body of the political subdivision after hearing the objections.

A group of ten (10) or more taxpayers may not initiate an appeal under subsection (a) against provisions of the budget and tax levy if less than seventy-five percent (75%) of the objecting taxpayers with respect to the objection petition filed under section 5(b) of this chapter were objecting taxpayers with respect to the objection statement filed under subsection (a) against those provisions.

SECTION 32. IC 6-1.1-18-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. Notwithstanding the other provisions of this chapter, the proper officer or officers of a political subdivision may:

~~(1) make an appropriation with respect to a contract for the discovery of omitted property if the contract provides the payment for the services performed is to be made from taxes or penalties collected on the discovered property;~~

~~(2) (1)~~ **(1)** reappropriate money recovered from erroneous or excessive disbursements if the error and recovery are made within the current budget year; or

~~(3) (2)~~ **(2)** refund, without appropriation, money erroneously received.

SECTION 33. IC 6-1.1-18.5-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing



calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or
(2) the excess, if any, of:

(A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;
IC 8-16-3;
IC 8-16-3.1;
IC 8-22-3-25;
IC 14-27-6-48;
IC 14-33-9-3;
IC 16-22-8-41;
IC 16-22-5-2 through IC 16-22-5-15;
IC 16-23-1-40;
IC 36-8-14;
IC 36-9-4-48;
IC 36-9-14;
IC 36-9-14.5;
IC 36-9-15;
IC 36-9-15.5;
IC 36-9-16;
IC 36-9-16.5;
IC 36-9-17;
IC 36-9-26;
IC 36-9-27-100;
IC 36-10-3-21; or
IC 36-10-4-36;

that are first due and payable during the ensuing calendar year; over

(B) the property taxes imposed by the city, town, or county under the authority of the citations listed in clause (A) that were first due and payable during calendar year 1984.

(b) The maximum property tax rate levied under the statutes listed in subsection (a) must be adjusted each time a general reassessment of property takes effect **for taxes payable in the year that immediately succeeds the year in which the general reassessment of property takes effect. The maximum property tax rate levied under a statute listed in subsection (a) applies for taxes payable in any other year.**

(c) The ~~new~~ maximum rate under a statute listed in subsection (a)

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1 **for taxes payable in the year that immediately succeeds the year in**
 2 **which the general reassessment of property takes effect** is the tax
 3 rate determined under STEP SEVEN of the following formula:

4 STEP ONE: Determine the maximum rate for the political
 5 subdivision levying a property tax under the statute for the year
 6 preceding the year in which the general reassessment takes effect.

7 STEP TWO: Determine the actual percentage increase (rounded
 8 to the nearest one-hundredth percent (0.01%)) in the assessed
 9 value of the taxable property from the year preceding the year the
 10 general reassessment takes effect to the year that the general
 11 reassessment is effective.

12 STEP THREE: Determine the three (3) calendar years that
 13 immediately precede the ensuing calendar year and in which a
 14 statewide general reassessment of real property does not first
 15 become effective.

16 STEP FOUR: Compute separately, for each of the calendar years
 17 determined in STEP THREE, the actual percentage increase
 18 (rounded to the nearest one-hundredth percent (0.01%)) in the
 19 assessed value of the taxable property from the preceding year.

20 STEP FIVE: Divide the sum of the three (3) quotients computed
 21 in STEP FOUR by three (3).

22 STEP SIX: Determine the greater of the following:

23 (A) Zero (0).

24 (B) The result of the STEP TWO percentage minus the STEP
 25 FIVE percentage.

26 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 27 divided by the sum of one (1) plus the STEP SIX percentage
 28 increase.

29 (d) ~~The state board of tax commissioners~~ **department of local**
 30 **government finance** shall compute the maximum rate allowed under
 31 subsection (c) and provide the rate to each political subdivision with
 32 authority to levy a tax under a statute listed in subsection (a).

33 SECTION 34. IC 6-1.1-18.5-12 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) Any civil taxing
 35 unit that determines that it cannot carry out its governmental functions
 36 for an ensuing calendar year under the levy limitations imposed by
 37 section 3 of this chapter may, before ~~October 2~~ **September 20** of the
 38 calendar year immediately preceding the ensuing calendar year, appeal
 39 to the ~~state board of tax commissioners~~ **department of local**
 40 **government finance** for relief from those levy limitations. In the
 41 appeal the civil taxing unit must state that it will be unable to carry out
 42 the governmental functions committed to it by law unless it is given the



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1 authority that it is petitioning for. The civil taxing unit must support
2 these allegations by reasonably detailed statements of fact.

3 (b) The ~~state tax board of commissioners~~ **department of local**
4 **government finance** shall promptly deliver to the local government tax
5 control board every appeal petition it receives under subsection (a) and
6 any materials it receives relevant to those appeals. Upon receipt of an
7 appeal petition, the local government tax control board shall
8 immediately proceed to the examination and consideration of the merits
9 of the civil taxing unit's appeal.

10 (c) In considering an appeal, the local government tax control board
11 has the power to conduct hearings, require any officer or member of the
12 appealing civil taxing unit to appear before it, or require any officer or
13 member of the appealing civil taxing unit to provide the board with any
14 relevant records or books.

15 (d) If an officer or member:

16 (1) fails to appear at a hearing of the local government tax control
17 board after having been given written notice from the local
18 government tax control board requiring his attendance; or

19 (2) fails to produce for the local government tax control board's
20 use the books and records that the local government tax control
21 board by written notice required the officer or member to
22 produce;

23 then the local government tax control board may file an affidavit in the
24 circuit court in the jurisdiction in which the officer or member may be
25 found setting forth the facts of the failure.

26 (e) Upon the filing of an affidavit under subsection (d), the circuit
27 court shall promptly issue a summons, and the sheriff of the county
28 within which the circuit court is sitting shall serve the summons. The
29 summons must command the officer or member to appear before the
30 local government tax control board, to provide information to the local
31 government tax control board, or to produce books and records for the
32 local government tax control board's use, as the case may be.
33 Disobedience of the summons constitutes, and is punishable as, a
34 contempt of the circuit court that issued the summons.

35 (f) All expenses incident to the filing of an affidavit under
36 subsection (d) and the issuance and service of a summons shall be
37 charged to the officer or member against whom the summons is issued,
38 unless the circuit court finds that the officer or member was acting in
39 good faith and with reasonable cause. If the circuit court finds that the
40 officer or member was acting in good faith and with reasonable cause
41 or if an affidavit is filed and no summons is issued, the expenses shall
42 be charged against the county in which the affidavit was filed and shall

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1 be allowed by the proper fiscal officers of that county.

2 SECTION 35. IC 6-1.1-19-2 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A county board
4 of tax adjustment may not approve or recommend the approval of an
5 excessive tax levy.

6 (b) If a school corporation adopts or advertises an excessive tax
7 levy, the county board of tax adjustment which reviews the school
8 corporation's budget, tax levy, and tax rate shall reduce the excessive
9 tax levy to the maximum normal tax levy.

10 (c) If a county board of tax adjustment approves, or recommends the
11 approval of, an excessive tax levy for a school corporation, the auditor
12 of the county for which the county board is acting shall reduce the
13 excessive tax levy to the maximum normal tax levy. Such a reduction
14 shall be set out in the notice required to be published by the auditor
15 under IC 6-1.1-17-12, and an appeal shall be permitted therefrom as
16 provided under IC 6-1.1-17 as modified by this chapter.

17 (d) Appeals from any action of a county board of tax adjustment or
18 county auditor in respect of a school corporation's budget, tax levy, or
19 tax rate may be taken as provided for by IC 6-1.1-17. Notwithstanding
20 IC 6-1.1-17, a school corporation may appeal to the ~~state board of tax~~
21 ~~commissioners~~ **department of local government finance** for
22 emergency financial relief for the ensuing calendar year at any time
23 ~~after the budget, tax rate, and tax levy of the school corporation are~~
24 ~~fixed under IC 6-1.1-17-5; but not later than twenty (20) days after the~~
25 ~~county auditor publishes notice under IC 6-1.1-17-12 of the tax rate to~~
26 ~~be charged in the school corporation for before September 20 of the~~
27 **calendar year immediately preceding** the ensuing calendar year.

28 (e) In the appeal petition in which a school corporation seeks
29 emergency financial relief, the appellant school corporation shall allege
30 that, unless it is given the emergency financial relief for which it
31 petitions, it will be unable to carry out, in the ensuing calendar year, the
32 public educational duty committed to it by law, and it shall support that
33 allegation by reasonably detailed statements of fact.

34 (f) When an appeal petition in which a school corporation petitions
35 for emergency financial relief is filed with the ~~state board of tax~~
36 ~~commissioners~~, **department of local government finance**, the ~~board~~
37 **department** shall include, in the notice of the hearing in respect of the
38 petition that it is required to give under IC 6-1.1-17-16, a statement to
39 the effect that the appellant school corporation is seeking emergency
40 financial relief for the ensuing calendar year. A subsequent action
41 taken by the ~~state board of tax commissioners~~ **department of local**
42 **government finance** in respect of such an appeal petition is not

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invalid, however, or otherwise affected, if the ~~board~~ **department** fails to include such a statement in the hearing notice.

SECTION 36. IC 6-1.1-20-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

(1) A project for which the political subdivision reasonably expects to pay:

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or IC 6-1.1-19. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) A project that will not ~~obligate cost~~ the political subdivision to more than two million dollars (\$2,000,000). ~~in debt service or lease rentals.~~

(3) A project that is being refinanced for the purpose of providing gross or net present value savings to taxpayers.

(4) A project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners has approved the issuance of bonds or the execution of leases before January 1, 1996.

(5) A project that is required by a court order holding that a federal law mandates the project.

SECTION 37. IC 6-1.1-20-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.1. A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the

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officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of real property within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased adjusted base levy to pay the estimated costs described in clause (F).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) two hundred fifty (250) owners of real property within the political subdivision; or

(B) ten percent (10%) of the owners of real property within the political subdivision.

(5) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county auditor under subdivision (6).

(6) Each petition must be filed with the county auditor not more

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than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(7) The county auditor must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within fifteen (15) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 38. IC 6-1.1-20-3.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

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1 (B) remonstrances (described in subdivision (3)) against the
 2 bonds or lease;
 3 may be filed by an owner or owners of real property within the
 4 political subdivision. Each signature on a petition must be dated
 5 and the date of signature may not be before the date on which the
 6 petition and remonstrance forms may be issued under subdivision
 7 (3). A petition described in clause (A) or a remonstrance
 8 described in clause (B) must be verified in compliance with
 9 subdivision (4) before the petition or remonstrance is filed with
 10 the county auditor under subdivision (4).
 11 (3) The state board of accounts shall design and, upon request by
 12 the county auditor, deliver to the county auditor or the county
 13 auditor's designated printer the petition and remonstrance forms
 14 to be used solely in the petition and remonstrance process
 15 described in this section. The county auditor shall issue to an
 16 owner or owners of real property within the political subdivision
 17 the number of petition or remonstrance forms requested by the
 18 owner or owners. Each form must be accompanied by instructions
 19 detailing the requirements that:
 20 (A) the carrier and signers must be owners of real property;
 21 (B) the carrier must be a signatory on at least one (1) petition;
 22 (C) after the signatures have been collected, the carrier must
 23 swear or affirm before a notary public that the carrier
 24 witnessed each signature; and
 25 (D) govern the closing date for the petition and remonstrance
 26 period.
 27 Persons requesting forms may not be required to identify
 28 themselves and may be allowed to pick up additional copies to
 29 distribute to other property owners. The county auditor may not
 30 issue a petition or remonstrance form earlier than twenty-nine
 31 (29) days after the notice is given under subdivision (1). The
 32 county auditor shall certify the date of issuance on each petition
 33 or remonstrance form that is distributed under this subdivision.
 34 (4) The petitions and remonstrances must be verified in the
 35 manner prescribed by the state board of accounts and filed with
 36 the county auditor within the sixty (60) day period described in
 37 subdivision (2) in the manner set forth in section 3.1 of this
 38 chapter relating to requests for a petition and remonstrance
 39 process.
 40 (5) The county auditor must file a certificate and the petition or
 41 remonstrance with the body of the political subdivision charged
 42 with issuing bonds or entering into leases within fifteen (15)

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business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision.

(6) If a greater number of owners of real property within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law **(including section 5 of this chapter)** relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the state board of tax commissioners required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 39. IC 6-1.1-26-2, AS AMENDED BY P.L.198-2001, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The county auditor shall forward a claim for refund filed under section 1 of this chapter to the department of local government finance for review by the department if:

- (1) the claim is for the refund of taxes paid on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance; and
- (2) the claim is based upon the grounds specified in IC 6-1.1-26-1(4)(ii) or IC 6-1.1-26-1(4)(iii).

(b) The department of local government finance shall review each

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1 refund claim forwarded to it under this section. The department shall
 2 certify its approval or disapproval on the claim and shall return the
 3 claim to the county auditor.

4 (c) Before the department of local government finance disapproves
 5 a refund claim that is forwarded to it under this section, the department
 6 shall notify the claimant of its intention to disapprove the claim and of
 7 the time and place fixed for a hearing on the claim. The department
 8 shall hold the hearing within thirty (30) days after the date of the
 9 notice. The claimant has a right to be heard at the hearing. After the
 10 hearing, the department shall give the claimant notice of the
 11 department's final determination on the claim.

12 (d) If a person desires to initiate an appeal of the final determination
 13 of the department of local government finance to disapprove a claim
 14 under subsection (c), the person shall file a petition for review with the
 15 **Indiana board appropriate county assessor** not more than forty-five
 16 (45) days after the department gives the person notice of the final
 17 determination.

18 (e) If a person desires to initiate a proceeding for judicial review of
 19 the Indiana board's final determination under subsection (d), the person
 20 must petition for judicial review under IC 4-21.5-5 not more than
 21 forty-five (45) days after the Indiana board gives the person notice of
 22 the final determination.

23 SECTION 40. IC 6-1.1-26-5, AS AMENDED BY P.L.198-2001,
 24 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 5. (a) When a claim for
 26 refund filed under section 1 of this chapter is allowed either by the
 27 county board of commissioners, the department of local government
 28 finance, the Indiana board, or the Indiana tax court on appeal, the
 29 claimant is entitled to a refund. The amount of the refund shall equal
 30 the amount of the claim so allowed plus, with respect to claims for
 31 refund filed after ~~June 30, 2001~~ **December 31, 2001**, interest at four percent
 32 (4%) from the date on which the taxes were paid or payable, whichever
 33 is later, to the date of the refund. The county auditor shall, without an
 34 appropriation being required, issue a warrant to the claimant payable
 35 from the county general fund for the amount due the claimant under
 36 this section.

37 (b) In the June or December settlement and apportionment of taxes,
 38 or both the June and December settlement and apportionment of taxes,
 39 immediately following a refund made under this section the county
 40 auditor shall deduct the amount refunded from the gross tax collections
 41 of the taxing units for which the refunded taxes were originally paid
 42 and shall pay the amount so deducted into the general fund of the

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1 county. However, the county auditor shall make the deductions and
 2 payments required by this subsection not later than the December
 3 settlement and apportionment.

4 SECTION 41. IC 6-1.1-28-1, AS AMENDED BY P.L.198-2001,
 5 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 1. (a) Each county shall have a county
 7 property tax assessment board of appeals composed of individuals who
 8 are at least eighteen (18) years of age and knowledgeable in the
 9 valuation of property. In addition to the county assessor, only one (1)
 10 other individual who is an officer or employee of a county or township
 11 may serve on the board of appeals in the county in which the individual
 12 is an officer or employee. The fiscal body of the county shall appoint
 13 two (2) individuals to the board. At least one (1) of the members
 14 appointed by the county fiscal body must be a certified level two
 15 assessor-appraiser. The board of commissioners of the county shall
 16 appoint two (2) freehold members so that not more than three (3) of the
 17 five (5) members may be of the same political party and so that at least
 18 three (3) of the five (5) members are residents of the county. At least
 19 one (1) of the members appointed by the board of county
 20 commissioners must be a certified level two assessor-appraiser.
 21 However, if the county assessor is a certified level ~~2 Indiana two~~
 22 assessor-appraiser, the board of county commissioners may waive the
 23 requirement in this subsection that one (1) of the freehold members
 24 appointed by the board of county commissioners must be a certified
 25 level ~~2 Indiana two~~ assessor-appraiser. A person appointed to a
 26 property tax assessment board of appeals may serve on the property tax
 27 assessment board of appeals of another county at the same time. The
 28 members of the board shall elect a president. The employees of the
 29 county assessor shall provide administrative support to the property tax
 30 assessment board of appeals. The county assessor is a voting member
 31 of the property tax assessment board of appeals. The county assessor
 32 shall serve as secretary of the board. The secretary shall keep full and
 33 accurate minutes of the proceedings of the board. A majority of the
 34 board **that includes at least one (1) certified level two**
 35 **assessor-appraiser** constitutes a quorum for the transaction of
 36 business. Any question properly before the board may be decided by
 37 the agreement of a majority of the whole board.

38 (b) The county assessor, county fiscal body, and board of county
 39 commissioners may agree to waive the requirement in subsection (a)
 40 that not more than three (3) of the five (5) members of the county
 41 property tax assessment board of appeals may be of the same political
 42 party if it is necessary to waive the requirement due to the absence of

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certified level ~~2~~ **two** Indiana assessor-appraisers:

- (1) who are willing to serve on the board; and
- (2) whose political party membership status would satisfy the requirement in subsection (c)(1).

(c) If the board of county commissioners is not able to identify at least two (2) prospective freehold members of the county property tax assessment board of appeals who are:

- (1) residents of the county;
- (2) certified level ~~2~~ **two** Indiana assessor-appraisers; and
- (3) willing to serve on the county property tax assessment board of appeals;

it is not necessary that at least three (3) of the five (5) members of the county property tax assessment board of appeals be residents of the county.

SECTION 42. IC 6-1.1-30-1.1, AS ADDED BY P.L.198-2001, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) The department of local government finance is established.

(b) The governor shall appoint an individual with appropriate training and experience as commissioner of the department. The commissioner:

- (1) is the executive and chief administrative officer of the department;**
- (2) may delegate authority to appropriate department staff;**
- (3) serves at the pleasure of the governor; and**
- (4) is entitled to receive compensation in an amount set by the governor, subject to approval by the budget agency.**

SECTION 43. IC 6-1.1-35-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) All information ~~which that~~ is related to earnings, income, profits, losses, or expenditures and ~~which that~~ is: **either**

- (1) given by a person to:**
 - (A) an assessing official;**
 - (B) a member of a county property tax assessment board of appeals;**
 - (C) a county assessor; or one (1) of their employees**
 - (D) an employee of a person referred to in clauses (A) through (C); or**
 - (E) an officer or employee of an entity that contracts with a board of county commissioners, a county assessor, or an elected township assessor under IC 6-1.1-36-12; or**
- (2) acquired by:**



- 1 (A) an assessing official;
 2 (B) a member of a county property tax assessment board of
 3 appeals;
 4 (C) a county assessor; ~~or one (1) of their employees~~
 5 **(D) an employee of a person referred to in clauses (A)**
 6 **through (C); or**
 7 **(E) an officer or employee of an entity that contracts with**
 8 **a board of county commissioners, a county assessor, or an**
 9 **elected township assessor under IC 6-1.1-36-12;**
 10 in the performance of ~~his~~ **the person's** duties;
 11 is confidential. The assessed valuation of tangible property is a matter
 12 of public record and is thus not confidential. Confidential information
 13 may be disclosed only in a manner ~~which~~ **that** is authorized under
 14 subsection (b), (c), or (d).
 15 (b) Confidential information may be disclosed to:
 16 (1) an official or employee of:
 17 ~~(1) (A)~~ **(A)** this state or another state;
 18 ~~(2) (B)~~ **(B)** the United States; or
 19 ~~(3) (C)~~ **(C)** an agency or subdivision of this state, another state, or
 20 the United States;
 21 if the information is required in the performance of ~~his~~ **the** official
 22 duties **of the official or employee; or**
 23 **(2) an officer or employee of an entity that contracts with a**
 24 **board of county commissioners, a county assessor, or an**
 25 **elected township assessor under IC 6-1.1-36-12 if the**
 26 **information is required in the performance of the official**
 27 **duties of the officer or employee.**
 28 (c) The following state agencies, or their authorized representatives,
 29 shall have access to the confidential farm property records and
 30 schedules ~~which~~ **that** are on file in the office of a county or township
 31 assessor:
 32 (1) the Indiana state board of animal health, in order to perform
 33 its duties concerning the discovery and eradication of farm animal
 34 diseases;
 35 (2) the department of agricultural statistics of Purdue University,
 36 in order to perform its duties concerning the compilation and
 37 dissemination of agricultural statistics; and
 38 (3) any other state agency ~~which~~ **that** needs the information in
 39 order to perform its duties.
 40 (d) Confidential information may be disclosed during the course of
 41 a judicial proceeding in which the regularity of an assessment is
 42 questioned.



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(e) Confidential information ~~which that~~ is disclosed to a person under subsection (b) or (c) of this section retains its confidential status. Thus, that person may disclose the information only in a manner ~~which that~~ is authorized under subsection (b), (c), or (d). ~~of this section.~~

(f) Notwithstanding any other provision of law:

(1) a person who:

(A) is an officer or employee of an entity that contracts with a board of county commissioners, a county assessor, or an elected township assessor under IC 6-1.1-36-12; and

(B) obtains confidential information under this section; may not disclose that confidential information to any other person; and

(2) a person referred to in subdivision (1) must return all confidential information to the taxpayer not later than fourteen (14) days after the earlier of:

(A) the completion of the examination of the taxpayer's personal property return under IC 6-1.1-36-12; or

(B) the termination of the contract.

SECTION 44. IC 6-1.1-35-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. **(a)** An assessing official, member of a county property tax assessment board of appeals, a state board member, or an employee of any assessing official, county assessor, or board shall immediately be dismissed from that position if ~~he the person~~ discloses in an unauthorized manner any information ~~which that~~ is classified as confidential under section 9 of this chapter.

(b) If an officer or employee of an entity that contracts with a board of county commissioners, a county assessor, or an elected township assessor under IC 6-1.1-36-12 discloses in an unauthorized manner any information that is classified as confidential under section 9 of this chapter:

(1) the contract between the entity and the board is void as of the date of the disclosure;

(2) the entity forfeits all right to payments owed under the contract after the date of disclosure;

(3) the entity and its affiliates are barred for three (3) years after the date of disclosure from entering into a contract with a board, a county assessor, or an elected township assessor under IC 6-1.1-36-12; and

(4) the taxpayer whose information was disclosed has a right of action for triple damages against the entity.

SECTION 45. IC 6-1.1-36-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. **(a)** ~~If~~ A board of

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1 county commissioners, ~~enters a county assessor, or an elected~~
 2 **township assessor may enter** into a contract for the discovery of
 3 property ~~which that~~ has been **undervalued or** omitted from
 4 assessment. **The contract may require the contractor to:**

5 **(1) examine and verify the accuracy of personal property**
 6 **returns filed by taxpayers with a township assessor of a**
 7 **township in the county; and**

8 **(2) compare a return with the books of the taxpayer and with**
 9 **personal property owned, held, possessed, controlled, or**
 10 **occupied by the taxpayer.**

11 **(b) The investigation and collection expenses ~~shall~~ of a contract**
 12 **under subsection (a) may** be deducted from the gross amount of taxes
 13 collected on the **undervalued or** omitted property ~~which that~~ is so
 14 discovered. The remainder of the taxes collected on the **undervalued**
 15 **or** omitted property shall be distributed to the appropriate taxing units.

16 **(c) A board of county commissioners, a county assessor, or an**
 17 **elected township assessor may not contract for services under**
 18 **subsection (a) on a commission or percentage basis.**

19 SECTION 46. IC 6-1.5-5-1, AS ADDED BY P.L.198-2001,
 20 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 1. (a) The Indiana board shall conduct
 22 impartial review of all appeals of final determinations of the
 23 department of local government finance made under the following:

24 (1) IC 6-1.1-8.

25 (2) IC 6-1.1-12.1.

26 (3) IC 6-1.1-14.

27 (4) IC 6-1.1-16.

28 (5) IC 6-1.1-26-2.

29 (b) Each notice of final determination issued by the department of
 30 local government finance under a statute listed in subsection (a) must
 31 give the taxpayer notice of:

32 (1) the opportunity for review under this section; and

33 (2) the procedures the taxpayer must follow in order to obtain
 34 review under this section.

35 **(c) Except as provided in subsections (e) and (f),** in order to
 36 obtain a review by the Indiana board under this section, the taxpayer
 37 must file a petition for review with the appropriate county assessor
 38 within forty-five (45) days after the notice of the department of local
 39 government finance's action is given to the taxpayer.

40 (d) The county assessor shall transmit ~~the~~ a petition for review
 41 **under subsection (c)** to the Indiana board within ten (10) days after it
 42 is filed.



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(e) In order to obtain a review by the Indiana board of an appeal of a final determination of the department of local government finance under IC 6-1.1-8-30, the public utility company must follow the procedures in IC 6-1.1-8-30.

(f) In order to obtain a review by the Indiana board of an appeal of a final determination of the department of local government finance under IC 6-1.1-12.1-5.7(h), the person must follow the procedures in IC 6-1.1-12.1-5.7(h).

SECTION 47. IC 6-2.5-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. (a) As used in this section, "broadband service" means a connection to the Internet at speeds greater than two hundred (200) kilobits per second downstream.

(b) As used in this section, "broadband service provider" means a person or entity providing broadband service.

(c) As used in this section, "customer" refers to a customer who receives broadband service from a broadband service provider.

(d) The following transactions involving tangible personal property are exempt from the state gross retail tax: if:

(1) ~~the~~ Transactions involving property that is:

(A) classified as central office equipment, station equipment or apparatus, station connection, wiring, or large private branch exchanges according to the uniform system of accounts which was adopted and prescribed for the utility by the Indiana utility regulatory commission; or

(B) mobile telecommunications switching office equipment, radio or microwave transmitting or receiving equipment, including, without limitation, towers, antennae, and property that perform a function similar to the function performed by any of the property described in clause (A). ~~and~~

~~(2) Transactions involving property described in this subdivision are exempt from the state gross retail tax only if~~ the person acquiring the property furnishes or sells intrastate telecommunication service in a retail transaction described in IC 6-2.5-4-6.

(2) Transactions involving property that is:

(A) capable of providing broadband service;

(B) owned by or leased to a broadband service provider; and

(C) located outside a customer's premises.

The exemption provided by this subdivision does not apply to transactions involving property that is normally located inside

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1 a customer's premises, including personal computers,
 2 modems, set top boxes, and related items used by the
 3 customer to facilitate broadband connection within the
 4 customer's home or business.

5 SECTION 48. IC 6-3.1-13-2 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this
 7 chapter, "credit amount" means the amount agreed to between the
 8 board and applicant under this chapter, but not to exceed, **in the case**
 9 **of a credit awarded for a project to create new jobs in Indiana**, the
 10 incremental income tax withholdings attributable to the applicant's
 11 project.

12 SECTION 49. IC 6-3.1-13-13 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The board
 14 may make credit awards under this chapter to foster job creation in
 15 Indiana **or, as provided in section 15.5 of this chapter, job retention**
 16 **in Indiana.**

17 (b) The credit shall be claimed for the taxable years specified in the
 18 taxpayer's tax credit agreement.

19 SECTION 50. IC 6-3.1-13-14 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A person that
 21 proposes a project to create new jobs in Indiana may apply, **as**
 22 **provided in section 15 of this chapter**, to the board to enter into an
 23 agreement for a tax credit under this chapter. **A person that proposes**
 24 **to retain existing jobs in Indiana may apply, as provided in section**
 25 **15.5 of this chapter, to the board to enter into an agreement for a**
 26 **tax credit under this chapter.** The director shall prescribe the form of
 27 the application.

28 SECTION 51. IC 6-3.1-13-15 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. **This section**
 30 **applies to an application proposing a project to create new jobs in**
 31 **Indiana.** After receipt of an application, the board may enter into an
 32 agreement with the applicant for a credit under this chapter if the board
 33 determines that all of the following conditions exist:

34 (1) The applicant's project will create new jobs that were not jobs
 35 previously performed by employees of the applicant in Indiana.

36 (2) The applicant's project is economically sound and will benefit
 37 the people of Indiana by increasing opportunities for employment
 38 **in Indiana** and strengthening the economy of Indiana.

39 (3) ~~There is at least one (1) other state that the applicant verifies~~
 40 ~~is being considered for the project.~~

41 (4) ~~A significant disparity is identified, using best available data,~~
 42 ~~in the projected costs for the applicant's project compared to the~~



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costs in the competing state, including the impact of the competing state's incentive programs. The competing state's incentive programs shall include state, local, private, and federal funds available.

~~(5)~~ (3) The political subdivisions affected by the project have committed significant local incentives with respect to the project.

~~(6)~~ (4) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not creating new jobs in Indiana.

~~(7)~~ (5) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

~~(8)~~ (6) The credit is not prohibited by section 16 of this chapter.

SECTION 52. IC 6-3.1-13-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. This section applies to an application proposing to retain existing jobs in Indiana. After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all the following conditions exist:**

(1) The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.

(2) The applicant provides evidence that there is at least one (1) other competing site outside Indiana that is being considered for the project or for the relocation of jobs.

(3) A disparity is identified, using the best available data, in the projected costs for the applicant's project in Indiana compared with the costs for the project in the competing site.

(4) The applicant is engaged in research and development, manufacturing, or business services (as defined in the Standard Industrial Classification Manual of the United States Office of Management and Budget).

(5) The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year is at least equal to the average compensation paid during that same period to all employees in the county in which the applicant's business is located.

(6) The applicant employs at least one hundred (100) employees in Indiana.

(7) The applicant has prepared a plan for the use of the credits under this chapter for:

(A) investment in facility improvements or equipment and



machinery upgrades, repairs, or retrofits; or

(B) other direct business related investments, including but not limited to training.

(8) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.

(9) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(10) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(11) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed at least one dollar (\$1) of local incentives with respect to the retention of jobs for every three dollars (\$3) in credits provided under this chapter. For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.

(12) The credit is not prohibited by section 16 of this chapter.

SECTION 53. IC 6-3.1-13-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. In determining the credit amount that should be awarded to an applicant under section 15 of this chapter that proposes a project to create jobs in Indiana, the board shall take into consideration the following factors:

(1) The economy of the county where the projected investment is to occur.

(2) The potential impact on the economy of Indiana.

~~(3) The magnitude of the cost differential between Indiana and the competing state.~~

~~(4)~~ (3) The incremental payroll attributable to the project.

~~(5)~~ (4) The capital investment attributable to the project.

~~(6)~~ (5) The amount the average wage paid by the applicant exceeds the average wage paid within the county in which the project will be located.

~~(7)~~ (6) The costs to Indiana and the affected political subdivisions with respect to the project.

~~(8)~~ (7) The financial assistance that is otherwise provided by

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Indiana and the affected political subdivisions.

As appropriate, the board shall consider the factors in this section to determine the credit amount awarded to an applicant for a project to retain existing jobs in Indiana under section 15.5 of this chapter. In the case of an applicant under section 15.5 of this chapter, the board shall consider the magnitude of the cost differential between the projected costs for the applicant's project in the competing site outside Indiana and the projected costs for the applicant's project in Indiana.

SECTION 54. IC 6-3.1-13-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. The board shall determine the amount and duration of a tax credit awarded under this chapter. The duration of the credit may not exceed ten (10) taxable years. The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. **In the case of a credit awarded for a project to create new jobs in Indiana,** the credit amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which case the excess shall be refunded to the taxpayer.

SECTION 55. IC 6-3.1-13-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. **In the case of a credit awarded for a project to create new jobs in Indiana,** the board shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

- (1) A detailed description of the project that is the subject of the agreement.
- (2) The duration of the tax credit and the first taxable year for which the credit may be claimed.
- (3) The credit amount that will be allowed for each taxable year.
- (4) A requirement that the taxpayer shall maintain operations at the project location for at least two (2) times the number of years as the term of the tax credit. **A taxpayer is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.**
- (5) A specific method for determining the number of new employees employed during a taxable year who are performing jobs not previously performed by an employee.
- (6) A requirement that the taxpayer shall annually report to the board the number of new employees who are performing jobs not



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previously performed by an employee, the new income tax revenue withheld in connection with the new employees, and any other information the director needs to perform the director's duties under this chapter.

(7) A requirement that the director is authorized to verify with the appropriate state agencies the amounts reported under subdivision (6), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.

(8) A requirement that the taxpayer shall provide written notification to the director and the board not more than thirty (30) days after the taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.

(9) Any other performance conditions that the board determines are appropriate.

SECTION 56. IC 6-3.1-13-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. In the case of a credit awarded for a project to retain existing jobs in Indiana, the board shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:**

(1) A detailed description of the business that is the subject of the agreement.

(2) The duration of the tax credit and the first taxable year for which the credit may be claimed.

(3) The credit amount that will be allowed for each taxable year.

(4) A requirement that the applicant shall maintain operations at the project location for at least two (2) times the number of years as the term of the tax credit. An applicant is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.

(5) A requirement that the applicant shall annually report the following to the board:

(A) The number of employees who are employed in Indiana by the applicant.

(B) The compensation (including benefits) paid to the applicant's employees in Indiana.

(C) The amount of the:

(i) facility improvements;



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(ii) equipment and machinery upgrades, repairs, or retrofits; or

(iii) other direct business related investments, including training.

(6) A requirement that the applicant shall provide written notification to the director and the board not more than thirty (30) days after the applicant makes or receives a proposal that would transfer the applicant's state tax liability obligations to a successor taxpayer.

(7) Any other performance conditions that the board determines are appropriate.

SECTION 57. IC 6-3.1-13-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. On a biennial basis, the board shall provide for an evaluation of the tax credit program, giving first priority to using the Indiana economic development council, established under IC 4-3-14-4. The evaluation shall include an assessment of the effectiveness of the program in creating new jobs **and retaining existing jobs** in Indiana and of the revenue impact of the program, and may include a review of the practices and experiences of other states with similar programs. The director shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives after June 30 and before November 1 in each odd-numbered year.

SECTION 58. IC 6-3.1-20-7, AS ADDED BY P.L.151-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The department shall before July 1 of each year determine the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.

(b) One-half ($\frac{1}{2}$) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable to the county under ~~IC 4-33-12-6(b)(2)~~; **IC 4-33-12-6(d)(2)**; and

(2) paid instead to the state general fund.

(c) One-sixth ($\frac{1}{6}$) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable under ~~IC 4-33-12-6(b)(1)~~ **IC 4-33-12-6(d)(1)** to each of the following:

(A) The largest city by population located in the county.

(B) The second largest city by population located in the



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1 county.

2 (C) The third largest city by population located in the county;
3 and

4 (2) paid instead to the state general fund.

5 SECTION 59. IC 6-3.5-1.1-2, AS AMENDED BY P.L.135-2001,
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 UPON PASSAGE]: Sec. 2. (a) The county council of any county in
8 which the county option income tax will not be in effect on July 1 of a
9 year under an ordinance adopted during a previous calendar year may
10 impose the county adjusted gross income tax on the adjusted gross
11 income of county taxpayers of its county effective July 1 of that year.

12 (b) Except as provided in section 2.5, 2.7, **2.8, 2.9, or 3.5, or 3.6** of
13 this chapter, the county adjusted gross income tax may be imposed at
14 a rate of one-half of one percent (0.5%), three-fourths of one percent
15 (0.75%), or one percent (1%) on the adjusted gross income of resident
16 county taxpayers of the county. Any county imposing the county
17 adjusted gross income tax must impose the tax on the nonresident
18 county taxpayers at a rate of one-fourth of one percent (0.25%) on their
19 adjusted gross income. If the county council elects to decrease the
20 county adjusted gross income tax, the county council may decrease the
21 county adjusted gross income tax rate in increments of one-tenth of one
22 percent (0.1%).

23 (c) To impose the county adjusted gross income tax, the county
24 council must, after January 1 but before April 1 of a year, adopt an
25 ordinance. The ordinance must substantially state the following:

26 "The _____ County Council imposes the county adjusted
27 gross income tax on the county taxpayers of _____ County.
28 The county adjusted gross income tax is imposed at a rate of
29 _____ percent (____%) on the resident county taxpayers of the
30 county and one-fourth of one percent (0.25%) on the nonresident
31 county taxpayers of the county. This tax takes effect July 1 of this
32 year."

33 (d) Any ordinance adopted under this section takes effect July 1 of
34 the year the ordinance is adopted.

35 (e) The auditor of a county shall record all votes taken on
36 ordinances presented for a vote under the authority of this section and
37 immediately send a certified copy of the results to the department by
38 certified mail.

39 (f) If the county adjusted gross income tax had previously been
40 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
41 1983) and that tax was in effect at the time of the enactment of this
42 chapter, then the county adjusted gross income tax continues in that

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county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 60. IC 6-3.5-1.1-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.8. (a) This section applies to:**

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); and

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip:

(A) jail facilities;

(B) juvenile court, detention, and probation facilities;

(C) other criminal justice facilities; and

(D) related buildings and parking facilities;

located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and

(2) repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in



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1 subsection (b) are fully paid. The term of the bonds issued
 2 (including any refunding bonds) or a lease entered into under
 3 subsection (b)(2) may not exceed twenty (20) years.

4 (d) If the county council makes a determination under
 5 subsection (b), the county council may adopt a tax rate under
 6 subsection (c). The tax rate may not be imposed at a rate greater
 7 than is necessary to pay the costs of carrying out the purposes
 8 described in subsection (b)(1).

9 (e) The county treasurer shall establish a criminal justice
 10 facilities revenue fund to be used only for purposes described in
 11 this section. County adjusted gross income tax revenues derived
 12 from the tax rate imposed under this section shall be deposited in
 13 the criminal justice facilities revenue fund before making a
 14 certified distribution under section 11 of this chapter.

15 (f) County adjusted gross income tax revenues derived from the
 16 tax rate imposed under this section:

17 (1) may be used only for the purposes described in this
 18 section;

19 (2) may not be considered by the department of local
 20 government finance in determining the county's maximum
 21 permissible property tax levy limit under IC 6-1.1-18.5; and

22 (3) may be pledged to the repayment of bonds issued or leases
 23 entered into for any or all the purposes described in
 24 subsection (b).

25 (g) Notwithstanding any other law, funds accumulated from the
 26 county adjusted gross income tax imposed under this section after:

27 (1) the completion of the financing, construction, acquisition,
 28 improvement, renovation, and equipping described in
 29 subsection (b);

30 (2) the payment or provision for payment of all the costs for
 31 activities described in subdivision (1);

32 (3) the redemption of bonds issued; and

33 (4) the final payment of lease rentals due under a lease
 34 entered into under this section;

35 shall be transferred to the county highway fund to be used for
 36 construction, resurfacing, restoration, and rehabilitation of county
 37 highways, roads, and bridges.

38 SECTION 61. IC 6-3.5-1.1-2.9 IS ADDED TO THE INDIANA
 39 CODE AS A NEW SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE UPON PASSAGE]: Sec. 2.9. (a) This section applies
 41 to a county having a population of more than twenty-nine thousand
 42 (29,000) but less than thirty thousand (30,000).



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1 (b) The county council may, by ordinance, determine that
2 additional county adjusted gross income tax revenue is needed in
3 the county to:

4 (1) finance, construct, acquire, improve, renovate, remodel, or
5 equip the county jail and related buildings and parking
6 facilities, including costs related to the demolition of existing
7 buildings, the acquisition of land, and any other reasonably
8 related costs; and

9 (2) repay bonds issued or leases entered into for constructing,
10 acquiring, improving, renovating, remodeling, and equipping
11 the county jail and related buildings and parking facilities,
12 including costs related to the demolition of existing buildings,
13 the acquisition of land, and any other reasonably related
14 costs.

15 (c) In addition to the rates permitted by section 2 of this
16 chapter, the county council may impose the county adjusted gross
17 income tax at a rate of:

18 (1) fifteen-hundredths percent (0.15%);

19 (2) two-tenths percent (0.2%); or

20 (3) twenty-five hundredths percent (0.25%);

21 on the adjusted gross income of county taxpayers if the county
22 council makes the finding and determination set forth in subsection
23 (b). The tax imposed under this section may be imposed only until
24 the later of the date on which the financing on, acquisition,
25 improvement, renovation, remodeling, and equipping described in
26 subsection (b) are completed or the date on which the last of any
27 bonds issued or leases entered into to finance the construction,
28 acquisition, improvement, renovation, remodeling, and equipping
29 described in subsection (b) are fully paid. The term of the bonds
30 issued (including any refunding bonds) or a lease entered into
31 under subsection (b)(2) may not exceed twenty-five (25) years.

32 (d) If the county council makes a determination under
33 subsection (b), the county council may adopt a tax rate under
34 subsection (b). The tax rate may not be imposed at a rate greater
35 than is necessary to pay the costs of financing, acquiring,
36 improving, renovating, remodeling, and equipping the county jail
37 and related buildings and parking facilities, including costs related
38 to the demolition of existing buildings, the acquisition of land, and
39 any other reasonably related costs.

40 (e) The county treasurer shall establish a county jail revenue
41 fund to be used only for purposes described in this section. County
42 adjusted gross income tax revenues derived from the tax rate



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imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique governmental and economic development challenges due to:

(1) underemployment in relation to similarly situated counties and the loss of a major manufacturing business;

(2) an increase in property taxes for taxable years after December 31, 2000, for the construction of a new elementary school; and

(3) overcrowding of the county jail, the costs associated with housing the county's inmates outside the county, and the potential unavailability of additional housing for inmates outside the county.

The use of county adjusted gross income tax revenues as provided in this chapter is necessary for the county to provide adequate jail capacity in the county and to maintain low property tax rates essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b), rather than the use of property taxes, promotes those purposes.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

(1) the redemption of bonds issued; or

(2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 62. IC 6-3.5-1.1-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



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[EFFECTIVE UPON PASSAGE]: Sec. 3.6. (a) This section applies only to a county having a population of more than six thousand (6,000) but less than eight thousand (8,000).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip the county courthouse; and

(2) repay bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, and equipping the county courthouse.

(c) In addition to the rates permitted under section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers in the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, and equipping described in subsection (b) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-two (22) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping the county courthouse.

(e) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before a certified distribution is made under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may only be used for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum



permissible property tax levy under IC 6-1.1-18.5; and
 (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique economic development challenges due to:

- (1) the county's heavy agricultural base;
- (2) the presence of a large amount of state owned property in the county that is exempt from property taxation; and
- (3) recent obligations of the school corporation in the county that have already increased property taxes in the county and imposed additional property tax burdens on the county's agricultural base.

Maintaining low property tax rates is essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b), rather than the use of property taxes, promotes that purpose.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the redemption of the bonds issued; or
- (2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 63. IC 6-3.5-1.1-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9.5. (a) **After January 1 and before April 1 of a year**, the county council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.

(b) To reduce the balance, a county council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance within ninety (90) days after the adoption of this ordinance."

(c) Not more than thirty (30) days after adopting an ordinance under subsection (b), the county council shall deliver a copy of the ordinance to the budget agency.

(d) Not later than:

- (1) sixty (60) days after a county council adopts an ordinance

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under subsection (b); and

(2) December 31; ~~of each year;~~

the budget agency shall make the calculation described in subsection (e). Not later than ninety (90) days after the ordinance is adopted, the budget agency shall make an initial distribution to the county auditor of the amount determined under subsection (e) STEP FOUR. ~~Subsequent distributions needed to distribute any amount in the county income tax special account that exceeds a three (3) month balance, as determined under STEP FOUR of subsection (e), shall be made in January of the ensuing calendar year after the calculation is made.~~

(e) The budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 8 of this chapter.

STEP TWO: Divide the amount estimated under section 9(b) of this chapter before any adjustments are made under section 9(c) or 9(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(f) For the purposes of this subsection and subsection (g), "civil taxing unit" includes a city or town that existed on January 1 of the year in which the distribution is made. The county auditor shall distribute an amount received under subsection (d) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount. However, the county auditor shall distribute an amount to a civil taxing unit that does not have a property tax levy in the year of the distribution based on an estimate certified by the state board of tax commissioners. The state board of tax commissioners shall compute and certify an amount for a civil taxing unit that does not have a property tax levy equal to the amount to be distributed multiplied by a fraction in which:

(1) the numerator of the fraction equals an estimate of the budget of that civil taxing unit for:

(A) that calendar year, if the civil taxing unit has adopted a resolution indicating that the civil taxing unit will not adopt a property tax in the ensuing calendar year; or

(B) the ensuing calendar year, if clause (A) does not apply; and

(2) the denominator of the fraction equals the aggregate attributed levies (as defined in IC 6-3.5-1.1-15) of all civil taxing units of that county for that calendar year plus the sum of the budgets estimated under subdivision (1) for each civil taxing unit that

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1 does not have a property tax levy in the year of the distribution.

2 (g) The civil taxing units may use the amounts received under
3 subsection (f) for any item for which the particular civil taxing unit's
4 certified shares may be used. The amount distributed shall not be
5 included in the computation under IC 6-1.1-18.5-3.

6 SECTION 64. IC 6-3.5-1.1-10, AS AMENDED BY P.L.135-2001,
7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 UPON PASSAGE]: Sec. 10. (a) One-half (1/2) of each adopting
9 county's certified distribution for a calendar year shall be distributed
10 from its account established under section 8 of this chapter to the
11 appropriate county treasurer on May 1 and the other one-half (1/2) on
12 November 1 of that calendar year.

13 (b) Except for:

14 (1) revenue that must be used to pay the costs of operating a jail
15 and juvenile detention center under section 2.5(d) of this chapter;

16 (2) **revenue that must be used to pay the costs of:**

17 (A) **financing, constructing, acquiring, improving,**
18 **renovating, or equipping facilities and buildings;**

19 (B) **debt service on bonds; or**

20 (C) **lease rentals;**

21 **under section 2.8 of this chapter;**

22 (3) revenue that must be used to pay the costs of construction,
23 improvement, ~~or~~ renovation, ~~or remodeling~~ of a jail **and related**
24 **buildings and parking structures** under section 2.7 **or 2.9** of this
25 chapter; ~~or~~

26 ~~(3)~~ (4) revenue that must be used to pay the costs of operating and
27 maintaining a jail and justice center under section 3.5(d) of this
28 chapter; **or**

29 (5) **revenue that must be used to pay the costs of constructing,**
30 **acquiring, improving, renovating, or equipping a county**
31 **courthouse under section 3.6 of this chapter;**

32 distributions made to a county treasurer under subsection (a) shall be
33 treated as though they were property taxes that were due and payable
34 during that same calendar year. The certified distribution shall be
35 distributed and used by the taxing units and school corporations as
36 provided in sections 11 through 15 of this chapter.

37 (c) All distributions from an account established under section 8 of
38 this chapter shall be made by warrants issued by the auditor of the state
39 to the treasurer of the state ordering the appropriate payments.

40 SECTION 65. IC 6-3.5-1.1-11, AS AMENDED BY P.L.135-2001,
41 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 11. (a) Except for:

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(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) **revenue that must be used to pay the costs of:**

(A) **financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;**

(B) **debt service on bonds; or**

(C) **lease rentals;**

under section 2.8 of this chapter;

(3) revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, ~~or~~ remodeling of a jail **and related buildings and parking structures** under section 2.7 ~~or~~ 2.9 of this chapter; ~~or~~

~~(3)~~ (4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~

(5) **revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;**

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 2 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received. The percentages are set forth in the following table:

COUNTY	PROPERTY TAX	
	REPLACEMENT CREDITS	CERTIFIED SHARES
ADJUSTED GROSS INCOME TAX RATE		
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.



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(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 66. IC 6-3.5-1.1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21. Before ~~February 1~~ **July 2** of each year, the department shall submit a report to each county ~~treasurer auditor~~ indicating ~~the balance in the county's adjusted gross income tax account as of the end of the preceding year.~~ **the following:**

(1) **The balance in the county's adjusted gross income tax account as of the end of the preceding year.**

(2) **The required six (6) month balance, or three (3) month balance if the county has adopted an ordinance under section 9.5 of this chapter before the end of the preceding year.**

SECTION 67. IC 6-3.5-1.1-21.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21.1. (a) **If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year in excess of the required six (6) or three (3) month balance, the department may make a supplemental distribution to a county from the county's adjusted gross income tax account.**

(b) **A supplemental distribution described in subsection (a) must be:**

(1) **made in January of the ensuing calendar year; and**

(2) **allocated and used in the same manner as certified distributions.**

(c) **A determination under this section must be made before July 2.**

SECTION 68. IC 6-3.5-6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) **This section applies to a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000).**

(b) **In addition to the actions authorized under section 2 of this chapter, a county income tax council may, using the procedures set forth in this chapter, adopt an ordinance to impose an additional county option income tax at a rate that may not exceed twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county income tax council makes the finding and determination required under subsection (c).**

(c) **In order to impose an additional county option income tax rate under this section, the county income tax council must adopt**



an ordinance finding and determining that revenues from the additional county option income tax are needed to pay the costs of financing, constructing, acquiring, renovating, equipping, and operating one (1) or more of the following facilities:

- (1) A community correction facility.
- (2) A juvenile treatment center.
- (3) A records keeping facility.
- (4) A county building.
- (5) An animal shelter.
- (6) An emergency services facility.

The costs that may be paid from revenues collected under this section also include costs related to the land, appurtenances, and infrastructure associated with a facility described in this subsection and the costs of repaying bonds issued or leases entered into for the purchasing, financing, constructing, acquiring, renovating, equipping, and operating the facility.

(d) If the county income tax council makes a determination required under subsection (c), the county income tax council may adopt a tax rate under this section. The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs described in subsection (c).

(e) The county treasurer shall establish a county facilities revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section:

- (1) shall be deposited in the county facilities revenue fund before a certified distribution is made under section 17 of this chapter;
- (2) may not be used for the purposes described in section 17.4, 17.5, 17.6, 18, or 18.5 of this chapter; and
- (3) may not be considered by the department of local government finance in determining the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(f) Notwithstanding section 2 of this chapter, an ordinance may be adopted under this section at any time. If the ordinance is adopted before April 1 of a particular calendar year, a tax rate imposed under this section takes effect on July 1 of the calendar year. If the ordinance is adopted after March 31, a tax rate imposed under this section takes effect on January 1 of the ensuing calendar year.

(g) Notwithstanding any other law:



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(1) funds accumulated from the county option income tax rate imposed under this section and deposited in the county facilities revenue fund; or

(2) any other revenues of the county;

may be deposited in a nonreverting fund of the county to be used for the operating costs of a facility described in subsection (c). Amounts in the county nonreverting fund may not be used by the department of local government finance to reduce the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(h) A county described in subsection (a) possesses unique fiscal challenges to finance, construct, acquire, renovate, equip, and operate the facilities described in subsection (c) because the county:

(1) includes a disproportionate percentage of property that is not subject to property taxation; and

(2) is experiencing sustained growth requiring additional county services.

SECTION 69. IC 6-3.5-6-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) ~~Revenue~~ Except as provided in section 2.5 of this chapter, revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the state budget agency, estimates will be received from that county during the twelve (12) month period beginning July 1 of the immediately preceding calendar year and ending June 30 of the ensuing calendar year.

(b) Before June 16 of each calendar year, the department, after reviewing the recommendation of the state budget agency, shall estimate and certify to the county auditor of each adopting county the amount of county option income tax revenue that will be collected from that county during the twelve (12) month period beginning July 1 of that calendar year and ending June 30 of the immediately succeeding calendar year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified may be adjusted under subsection (c) or (d).

(c) The department may certify to an adopting county an amount that is greater than the estimated twelve (12) month revenue collection if the department, after reviewing the recommendation of the state

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1 budget agency, determines that there will be a greater amount of
2 revenue available for distribution from the county's account established
3 under section 16 of this chapter.

4 (d) The department may certify an amount less than the estimated
5 twelve (12) month revenue collection if the department, after reviewing
6 the recommendation of the state budget agency, determines that a part
7 of those collections needs to be distributed during the current calendar
8 year so that the county will receive its full certified distribution for the
9 current calendar year.

10 (e) One-twelfth (1/12) of each adopting county's certified
11 distribution for a calendar year shall be distributed from its account
12 established under section 16 of this chapter to the appropriate county
13 treasurer on the first day of each month of that calendar year.

14 (f) **Except as provided in section 2.5 of this chapter**, upon receipt,
15 each monthly payment of a county's certified distribution shall be
16 allocated among, distributed to, and used by the civil taxing units of the
17 county as provided in sections 18 and 19 of this chapter.

18 (g) All distributions from an account established under section 16
19 of this chapter shall be made by warrants issued by the auditor of state
20 to the treasurer of ~~the~~ state ordering the appropriate payments.

21 SECTION 70. IC 6-3.5-6-17.2 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2002]: **Sec. 17. 2. Before July 2 of each year,**
24 **the department shall submit a report to each county auditor**
25 **indicating the following:**

26 (1) **The balance in the county's special account as of the end**
27 **of the preceding year.**

28 (2) **The required six (6) month balance or three (3) month**
29 **balance, if the county has adopted an ordinance under:**

30 (A) IC 6-3.5-6-17.4;

31 (B) IC 6-3.5-6-17.5; or

32 (C) IC 6-3.5-6-17.6;

33 **before the end of the preceding year.**

34 SECTION 71. IC 6-3.5-6-17.3 IS ADDED TO THE INDIANA
35 CODE AS A NEW SECTION TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2002]: **Sec. 17. 3. (a) If, after receiving a**
37 **recommendation from the budget agency, the department**
38 **determines that a sufficient balance existed at the end of the**
39 **preceding year in excess of the required six (6) or three (3) month**
40 **balance, the department may make a supplemental distribution to**
41 **a county from the county's special account.**

42 (b) **A supplemental distribution described in subsection (a) must**

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be:

- (1) made in January of the ensuing calendar year; and
- (2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July

2.

SECTION 72. IC 6-3.5-6-17.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.4. (a) This section applies only to a county having a population of more than thirty-six thousand seven hundred (36,700) but less than thirty-seven thousand (37,000).

(b) The county income tax council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.

(c) To reduce the balance a county income tax council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance within ninety (90) days after the adoption of this ordinance."

(d) Not more than thirty (30) days after adopting an ordinance under subsection (c), the county income tax council shall deliver a copy of the ordinance to the budget agency.

(e) Not later than:

- (1) sixty (60) days after a county income tax council adopts an ordinance under subsection (c); and
- (2) December 31; ~~of each year;~~

the budget agency shall make the calculation described in subsection (f). Not later than ninety (90) days after the ordinance is adopted, the budget agency shall make an initial distribution to the county auditor of the amount determined under subsection (f) STEP FOUR. Subsequent distributions needed to distribute any amount in the county income tax special account that exceeds a three (3) month balance, as determined under subsection (f) STEP FOUR, shall be made in January of the ensuing calendar year after the calculation is made.

(f) The budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).



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1 STEP FOUR: Subtract the amount determined in STEP THREE
2 from the amount determined in STEP ONE.

3 (g) The county auditor shall distribute an amount received under
4 subsection (e) to the civil taxing units in the same manner as the
5 certified distribution is distributed and not later than thirty (30) days
6 after the county auditor receives the amount.

7 (h) The civil taxing units may use the amounts received under
8 subsection (g) for any item for which the particular civil taxing unit's
9 certified distribution may be used.

10 SECTION 73. IC 6-3.5-6-17.5 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.5. (a) This section
12 does not apply to a county containing a consolidated city.

13 (b) The county income tax council of any county may adopt an
14 ordinance to reduce the required six (6) month balance of that county's
15 special account to a three (3) month balance for that county on January
16 1 of a year.

17 (c) To reduce the balance a county income tax council must, after
18 January 1 but before April 1 of a year, adopt an ordinance. The
19 ordinance must substantially state the following:

20 "The _____ County Income Tax Council elects to reduce
21 the required county income tax special account balance from a six (6)
22 month balance to a three (3) month balance."

23 (d) On or before December 31, ~~of each year~~, the budget agency shall
24 make the following calculation:

25 STEP ONE: Determine the cumulative balance in a county's
26 account established under section 16 of this chapter.

27 STEP TWO: Divide the amount estimated under section 17(b) of
28 this chapter before any adjustments are made under section 17(c)
29 or 17(d) of this chapter by twelve (12).

30 STEP THREE: Multiply the STEP TWO amount by three (3).

31 STEP FOUR: Subtract the amount determined in STEP THREE
32 from the amount determined in STEP ONE.

33 (e) The amount determined in STEP FOUR of subsection (d) shall
34 be distributed to the county auditor in January of the ensuing calendar
35 year.

36 (f) The county auditor shall distribute the amount received under
37 subsection (e) to the civil taxing units in the same manner as the
38 certified distribution is distributed and not later than thirty (30) days
39 after the county auditor receives the amount.

40 (g) The civil taxing units may use the amounts received under
41 subsection (f) as follows:

42 (1) For the later of 1995 or the first calendar year in which the

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1 county adopts an ordinance under subsection (c) and:

2 (A) for each civil taxing unit that is a county, city, or town, for
3 the purposes authorized under IC 36-9-14.5-2 or
4 IC 36-9-15.5-2 (whichever applies and regardless of whether
5 the civil taxing unit has established a cumulative capital
6 development fund under IC 36-9-14.5 or IC 36-9-15.5); and

7 (B) for each civil taxing unit that is a township or a special
8 taxing district, for any item for which the civil taxing unit may
9 issue a general obligation bond.

10 (2) For each year after the year to which subdivision (1) applies
11 and for all civil taxing units, for any item for which the particular
12 civil taxing unit's certified distribution may be used.

13 SECTION 74. IC 6-3.5-6-17.6, AS AMENDED BY P.L.283-2001,
14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2002]: Sec. 17.6. (a) This section applies to a county
16 containing a consolidated city.

17 (b) On or before July ~~15~~ 2 of each year, the budget agency shall
18 make the following calculation:

19 STEP ONE: Determine the cumulative balance in a county's
20 account established under section 16 of this chapter as of the end
21 of the current calendar year.

22 STEP TWO: Divide the amount estimated under section 17(b) of
23 this chapter before any adjustments are made under section 17(c)
24 or 17(d) of this chapter by twelve (12).

25 STEP THREE: Multiply the STEP TWO amount by three (3).

26 STEP FOUR: Subtract the amount determined in STEP THREE
27 from the amount determined in STEP ONE.

28 (c) For 1995, the budget agency shall certify the STEP FOUR
29 amount to the county auditor on or before July 15, 1994. Not later than
30 January 31, 1995, the auditor of state shall distribute the STEP FOUR
31 amount to the county auditor to be used to retire outstanding
32 obligations for a qualified economic development tax project (as
33 defined in IC 36-7-27-9).

34 (d) After 1995, the STEP FOUR amount shall be distributed to the
35 county auditor in January of the ensuing calendar year. The STEP
36 FOUR amount shall be distributed by the county auditor to the civil
37 taxing units within thirty (30) days after the county auditor receives the
38 distribution. Each civil taxing unit's share equals the STEP FOUR
39 amount multiplied by the quotient of:

40 (1) the maximum permissible property tax levy under
41 IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an
42 amount equal to:

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(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county; divided by

(2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the ~~state~~ **statewide** average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county.

SECTION 75. IC 6-3.5-6-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) A pledge of county option income tax revenues under this chapter is enforceable in accordance with IC 5-1-14.**

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the tax collected under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 76. IC 6-3.5-7-5, AS AMENDED BY P.L.135-2001, SECTION 6, AS AMENDED BY P.L.185-2001, SECTION 3, AND AS AMENDED BY P.L.291-2001, SECTION 179, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:**



- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), ~~and~~ (g), ~~(j)~~, and (k), the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), ~~or~~ (j), ~~or~~ (k), **(l), (m), (n), or (o)**, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.



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(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(g) This subsection applies to ~~a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600);~~ **a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000).** In addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For ~~a county having a population of more than thirty-seven thousand (37,000) but less than thirty-seven thousand eight hundred (37,800);~~ **a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For ~~a county having a population of more than twelve thousand six hundred (12,600) but less than thirteen thousand (13,000);~~ **a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than sixty-eight thousand (68,000) but less than seventy-three thousand (73,000); a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).



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(j) *This subsection applies to a county having a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand three hundred (27,300). In addition to the rates permitted under subsection (b):*

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(k) *This subsection applies to a county having a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand three hundred (27,300). a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). In addition to the rates permitted under subsection (b):*

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand



(6,000) but less than eight thousand (8,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). In addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

SECTION 77. IC 6-3.5-7-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 10.5.** Before July 2 of each year, the department shall submit a report to each county auditor indicating the following:

(1) The balance in the county's special account as of the end of the preceding year.

(2) The required six (6) month balance as of the end of the preceding year.

SECTION 78. IC 6-3.5-7-17.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17.3.** (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year that exceeded the required six (6) month balance as of the end of the preceding year, the department may make a supplemental distribution to a county from the county's special account.

(b) A supplemental distribution described in subsection (a) must be:

(1) made in January of the ensuing calendar year; and



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(2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.

SECTION 79. IC 6-3.5-7-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) This section applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600).

(b) In addition to the rates permitted by section 5 of this chapter, the county council may impose the county economic development income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (c).

(c) In order to impose the county economic development income tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county economic development income tax are needed to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail including the repayment of bonds issued, or leases entered into, for constructing, acquiring, renovating, and equipping a county jail.

(d) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail.

(e) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County economic development income tax revenues derived from the tax rate imposed under this section:

(1) may only be used for the purposes described in this section;

(2) may not be considered by the state board of tax commissioners in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued, or leases



entered into, for the purposes described in subsection (c).

SECTION 80. IC 6-8.1-3-7.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7.1. (a) "Fiscal officer" has the meaning set forth in IC 36-1-2-7.

(b) The department shall enter into an agreement with the fiscal officer of an entity that has adopted an innkeeper's tax, a food and beverage tax, or an admissions tax under IC 6-9 to furnish the fiscal officer annually with:

(1) the name of each business collecting the taxes listed in this subsection; and

(2) the amount of money collected from each business.

(c) The agreement must provide that the department must provide the information in an electronic format that the fiscal officer can use, as well as a paper copy.

(d) The agreement must include a provision that, unless in accordance with a judicial order, the fiscal officer, employees of the fiscal officer, former employees of the fiscal officer, counsel of the fiscal officer, agents of the fiscal officer, or any other person may not divulge the names of the businesses, the amount of taxes paid by the businesses, or any other information disclosed to the fiscal officer by the department.

SECTION 81. IC 6-8.1-9-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 14. (a) The department shall establish, administer, and make available a centralized debt collection program for use by state agencies to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by state agencies. The department's collection facilities shall be available for use by other state agencies only when resources are available to the department.

(b) The commissioner shall prescribe the appropriate form and manner in which collection information is to be submitted to the department.

(c) The debt must be delinquent and not subject to litigation, claim, appeal, or review under the appropriate remedies of a state agency.

(d) The department has the authority to collect for the state or claimant agency (as defined in IC 6-8.1-9.5-1) delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or claimant agency that has a formal agreement with the department for central debt collection.



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(e) The formal agreement must provide that the information provided to the department be sufficient to establish the obligation in court and to render the agreement as a legal judgment on behalf of the state. After transferring a file for collection to the department for collection, the claimant agency shall terminate all collection procedures and be available to provide assistance to the department. Upon receipt of a file for collection, the department shall comply with all applicable state and federal laws governing collection of the debt.

(f) The department may use a claimant agency's statutory authority to collect the claimant agency's delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to the claimant agency.

(g) The department's right to credit against taxes due may not be impaired by any right granted the department or other state agency under this section.

(h) The department of state revenue may charge the claimant agency a fee not to exceed fifteen percent (15%) of any funds the department collects for a claimant agency. Notwithstanding any law concerning delinquent accounts, charges, fees, loans, taxes, or other indebtedness, the fifteen percent (15%) fee shall be added to the amount due to the state or claimant agency when the collection is made.

(i) Fees collected under subsection (h) shall be retained by the department after the debt is collected for the claimant agency and are appropriated to the department for use by the department in administering this section.

(j) The department shall transfer any funds collected from a debtor to the claimant agency within thirty (30) days after the end of the month in which the funds were collected.

(k) When a claimant agency requests collection by the department, the claimant agency shall provide the department with:

- (1) the full name;
- (2) the Social Security number or federal identification number, or both;
- (3) the last known mailing address; and
- (4) additional information that the department may request; concerning the debtor.

(l) The department shall establish a minimum amount that the department will attempt to collect for the claimant agency.

(m) The commissioner shall report, not later than March 1 for



1 the previous calendar year, to the governor, the budget director,
 2 and the legislative council concerning the implementation of the
 3 centralized debt collection program, the number of debts, the
 4 dollar amounts of debts collected, and an estimate of the future
 5 costs and benefits that may be associated with the collection
 6 program.

7 SECTION 82. IC 6-9-2.5-1 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. This chapter
 9 applies to a county having a population of more than one hundred ~~sixty~~
 10 **seventy** thousand ~~(160,000)~~ **(170,000)** but less than ~~two one~~ hundred
 11 **eighty** thousand ~~(200,000)~~ **(180,000)**.

12 SECTION 83. IC 6-9-2.5-6 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) The county
 14 council may levy tax on every person engaged in the business of
 15 renting or furnishing, for periods of less than thirty (30) days, any room
 16 or rooms, lodgings, or accommodations in any commercial hotel,
 17 motel, inn, tourist camp, or tourist cabin located in a county described
 18 in section 1 of this chapter. Such tax shall not exceed the rate of ~~five~~
 19 **six** percent ~~(5%)~~ **(6%)** on the gross income derived from lodging
 20 income only and shall be in addition to the state gross retail tax
 21 imposed on such persons by IC 6-2.5.

22 (b) The county fiscal body may adopt an ordinance to require that
 23 the tax be reported on forms approved by the county treasurer and that
 24 the tax shall be paid monthly to the county treasurer. If such an
 25 ordinance is adopted, the tax shall be paid to the county treasurer not
 26 more than twenty (20) days after the end of the month the tax is
 27 collected. If such an ordinance is not adopted, the tax shall be imposed,
 28 paid, and collected in exactly the same manner as the state gross retail
 29 tax is imposed, paid, and collected pursuant to IC 6-2.5.

30 (c) All of the provisions of IC 6-2.5 relating to rights, duties,
 31 liabilities, procedures, penalties, definitions, exemptions, and
 32 administration shall be applicable to the imposition and administration
 33 of the tax imposed by this section except to the extent such provisions
 34 are in conflict or inconsistent with the specific provisions of this
 35 chapter or the requirements of the county treasurer. Specifically and not
 36 in limitation of the foregoing sentence, the terms "person" and "gross
 37 income" shall have the same meaning in this section as they have in
 38 IC 6-2.5. If the tax is paid to the department of state revenue, the
 39 returns to be filed for the payment of the tax under this section may be
 40 either a separate return or may be combined with the return filed for the
 41 payment of the state gross retail tax as the department of state revenue
 42 may, by rule or regulation, determine.



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(d) If the tax is paid to the department of state revenue, the amounts received from such tax shall be paid quarterly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

(e) The tax imposed under subsection (a) does not apply to the renting or furnishing of rooms, lodgings, or accommodations to a person for a period of thirty (30) days or more.

SECTION 84. IC 6-9-2.5-7, AS AMENDED BY P.L.208-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) The county treasurer shall establish a convention and visitor promotion fund.

(b) The county treasurer shall deposit the following in the convention and visitor promotion fund:

(1) Before January 1, 2000:

(A) All of the money received under section 6 of this chapter, if the rate set under section 6 of this chapter is not greater than two percent (2%).

(B) The amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate, if the rate set under section 6 of this chapter is at least two percent (2%).

(2) After December 31, 1999, and before January 1, 2003, the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate.

(3) After December 31, 2002, the amount of money received under section 6 of this chapter that is generated by a two and one-half percent (2.5%) rate.

(c) Money in this fund shall be expended only as provided in this chapter.

(d) The commission may transfer money in the convention and visitor promotion fund to any Indiana nonprofit corporation for the purpose of promotion and encouragement in the county of conventions, trade shows, visitors, or special events. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 85. IC 6-9-2.5-7.5, AS AMENDED BY P.L.208-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount

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equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.

(2) After December 31, 1999, and before January 1, ~~2006~~, **2003**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.

(3) **After December 31, 2002, and before January 1, 2006, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one and one-half percent (1.5%) rate.**

(4) After December 31, 2005, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a three ~~and one-half~~ percent (~~3%~~) **(3.5%)** rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 86. IC 6-9-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. This chapter applies to ~~a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600): a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000).~~

SECTION 87. IC 6-9-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The county treasurer shall establish an innkeeper's tax fund. The treasurer shall deposit in that fund all money received under section 6 of this chapter.

(b) Money in the innkeeper's tax fund shall be expended in the following order:

(1) Through July 1999, not more than the revenue needed to service bonds issued under IC 36-10-3-40 through IC 36-10-3-45 and outstanding on January 1, 1993, may be used to service bonds. The county auditor shall make a semiannual distribution,

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at the same time property tax revenue is distributed, to a park and recreation district that has issued bonds payable from a county innkeeper's tax. Each semiannual distribution must be equal to one-half (1/2) of the annual principal and interest obligations on the bonds. Money received by a park and recreation district under this subdivision shall be deposited in a special fund to be used to service the bonds. During August 1999 the money that had been set aside to cover bond payments that remains after the bonds have been retired plus sixty percent (60%) of the tax revenue during August 1999 through December 1999 shall be distributed to the county treasurer to be used by the county park board, subject to appropriation by the county fiscal body.

(2) To the commission for its general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter. However, the amount that may be distributed under this subdivision during any particular year may not exceed the proceeds derived from an innkeeper's tax of two percent (2%) through December 1999 and fifty percent (50%) of the tax revenue beginning January 2000 and continuing through December ~~2004~~ **2014**.

(3) For the period beginning ~~January 2000~~ **July 1, 2002**, through December ~~2004~~ **2014**, fifty percent (50%) of the revenue to the county treasurer to be credited by the treasurer to a special account. **The county treasurer shall distribute money in the special account as follows:**

(A) Seventy-five percent (75%) of the money in the special account shall be distributed to the department of natural resources for the development of projects in ~~or near the state park on~~ the county's largest river, including its tributaries. ~~(referred to as a qualified project): Upon the submission of a written claim by the department of natural resources requesting funds for a qualified project and to the extent there is money in the special account; the county council shall appropriate and the county auditor shall issue warrants to pay the claim:~~

(B) Twenty-five percent (25%) of the money in the special account shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

(i) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and



(ii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

for the community development corporation's use in tourism, recreation, and economic development activities. For the period beginning July 1, 2002, and continuing through December 2006, the community development corporation shall provide not less than forty percent (40%) of the money received from the special account under this clause as a grant to a nonprofit corporation that leases land in the state park described in this subdivision for the nonprofit corporation's use in noncapital projects in the state park.

Money in the special account may not be used for any other purpose. The money credited to the account that has not been used for qualified projects as specified in this subdivision by January 1, 2005, 2015, shall be transferred to the commission to be used to make grants as provided in subsection (c)(2).

(c) Money in the innkeeper's tax fund subject to appropriation by the county council shall be allocated and distributed after December 2004 2014 as follows:

(1) Fifty percent (50%) of the revenue to the commission for the commission's general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter.

(2) The remainder to the commission to be used solely to make grants for the development of recreation and tourism projects. The commission shall establish and make public the criteria that will be used in analyzing and awarding grants. At least ten percent (10%) but not more than fifteen percent (15%) of the grants may be awarded for noncapital projects. Grants may be made only to the following entities upon application by the executive of the entity:

(A) The county for deposit in a special account.

(B) The most populated city in the county for deposit in a special account.

(C) The second most populated city in the county for deposit in a special account.

(D) The Tippecanoe County Wabash River parkway commission, but only so long as the interlocal agreement among the political subdivisions listed in clauses (A) through (C) is in effect. Money received by the parkway commission shall be segregated in a special account.



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(d) Money credited to special accounts under subsection (c)(2) shall be used only for recreation or tourism projects, or both.

SECTION 88. IC 8-16-3.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 4. (a) The executive of any eligible county may provide a major bridge fund in compliance with IC 6-1.1-41 to make available funding for the construction of major bridges.

(b) The executive of any eligible county may levy a tax in compliance with IC 6-1.1-41 not to exceed **ten three and thirty-three hundredths** cents (~~\$0.10~~) (**\$0.0333**) on each one hundred dollars (\$100) assessed valuation of all taxable personal and real property within the county to provide for the major bridge fund.

SECTION 89. IC 12-7-2-128.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 128.5. "Medical institution", for purposes of IC 12-15-8.5, has the meaning set forth in IC 12-15-8.5-1.**

SECTION 90. IC 12-15-2-17, AS AMENDED BY P.L.272-1999, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. (a) Except as provided in ~~subsection~~

subsections (b) and (d), if an applicant for or a recipient of Medicaid:

(1) establishes one (1) irrevocable trust that has a value of not more than ten thousand dollars (\$10,000), exclusive of interest, and is established for the sole purpose of providing money for the burial of the applicant or recipient;

(2) enters into an irrevocable prepaid funeral agreement having a value of not more than ten thousand dollars (\$10,000); or

(3) owns a life insurance policy with a face value of not more than ten thousand dollars (\$10,000) and with respect to which provision is made to pay not more than ten thousand dollars (\$10,000) toward the applicant's or recipient's funeral expenses;

the value of the trust, prepaid funeral agreement, or life insurance policy may not be considered as a resource in determining the applicant's or recipient's eligibility for Medicaid.

(b) **Subject to subsection (d)**, if an applicant for or a recipient of Medicaid establishes an irrevocable trust or escrow under IC 30-2-13, the entire value of the trust or escrow may not be considered as a resource in determining the applicant's or recipient's eligibility for Medicaid.

(c) If an applicant for or a recipient of Medicaid owns resources described in subsection (a) and the total value of those resources is more than ten thousand dollars (\$10,000), the value of those resources

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that is more than ten thousand dollars (\$10,000) may be considered as a resource in determining the applicant's or recipient's eligibility for Medicaid.

(d) In order for a trust, an escrow, a life insurance policy, or a prepaid funeral agreement to be exempt as a resource in determining an applicant's or recipient's eligibility for Medicaid under this section, the applicant or recipient must designate the office or the applicant's or recipient's estate to receive any remaining amounts after delivery of all services and merchandise under the contract as reimbursement for Medicaid assistance provided to the applicant or recipient after age fifty-five (55). The office may receive funds under this subsection only to the extent permitted by 42 U.S.C. 1396p. The computation of remaining amounts shall be made as of the date of delivery of services and merchandise under the contract and must be the excess, if any, derived from:

- (1) growth in principal;**
- (2) accumulation and reinvestment of dividends;**
- (3) accumulation and reinvestment of interest; and**
- (4) accumulation and reinvestment of distributions;**

on the applicant's or recipient's trust, escrow, life insurance policy, or prepaid funeral agreement over and above the seller's current retail price of all services, merchandise, and cash advance items set forth in the applicant's or recipient's contract.

SECTION 91. IC 12-15-8.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

Chapter 8.5. Liens on Real Property of Medicaid Recipients

Sec. 1. As used in this chapter, "medical institution " means any of the following:

- (1) A hospital.**
- (2) A nursing facility.**
- (3) An intermediate care facility for the mentally retarded.**

Sec. 2. Subject to section 10 of this chapter, when the office, in accordance with 42 U.S.C. 1396p, determines that a Medicaid recipient who resides in a medical institution cannot reasonably be expected to be discharged from a medical institution and return home, the office may obtain a lien on the Medicaid recipient's real property for the cost of all Medicaid expenditures made on behalf of the recipient.

Sec. 3. The office may not obtain a lien under this chapter if any of the following persons lawfully reside in the home of the



1 Medicaid recipient who resides in the medical institution:

- 2 (1) The Medicaid recipient's spouse.
- 3 (2) The Medicaid recipient's child who is:
- 4 (A) less than twenty-one (21) years of age; or
- 5 (B) disabled as defined by the federal Supplemental
- 6 Security Income program.
- 7 (3) The Medicaid recipient's sibling who has an ownership
- 8 interest in the home and who has lived in the home
- 9 continuously beginning at least twelve (12) months before the
- 10 recipient was admitted to the medical institution.
- 11 (4) The Medicaid recipient's parent.
- 12 (5) An individual, other than a paid caregiver, who:
- 13 (A) was continuously residing in the recipient's home for
- 14 a period of at least two (2) years immediately prior to the
- 15 date of the recipient's admission to the nursing facility;
- 16 and
- 17 (B) establishes to the satisfaction of the office that the
- 18 person provided care to the recipient enabling the recipient
- 19 to reside in the recipient's home rather than in a medical
- 20 institution.

21 Sec. 4. Before obtaining a lien on a Medicaid recipient's real

22 property under this chapter, the office shall notify in writing the

23 Medicaid recipient or the Medicaid recipient's authorized

24 representative, if applicable, of the following:

- 25 (1) The office's determination that the Medicaid recipient
- 26 cannot reasonably be expected to be discharged from the
- 27 medical institution.
- 28 (2) The office's intent to impose a lien on the Medicaid
- 29 recipient's home.
- 30 (3) The Medicaid recipient's right to a hearing under
- 31 IC 12-15-28 upon the Medicaid recipient's request regarding
- 32 whether the requirements for the imposition of a lien are
- 33 satisfied. No lien shall be filed until the hearing process is
- 34 completed if a hearing is requested.

35 Sec. 5. (a) The office shall obtain a lien under this chapter by

36 filing a notice of lien with the recorder of the county in which the

37 real property subject to the lien is located. The notice shall be filed

38 prior to the recipient's death and shall include the following:

- 39 (1) The name and place of residence of the individual against
- 40 whose property the lien is asserted.
- 41 (2) A legal description of the real property subject to the lien.
- 42 (b) Upon the office's request, the county auditor or assessor of



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1 a county shall furnish the office with the legal description of any
2 property in the county registered to the recipient.

3 (c) The office shall file one (1) copy of the notice of lien with the
4 county office of family and children in the county in which the real
5 property is located. The county office of family and children shall
6 retain a copy of the notice with the county office's records.

7 (d) The office shall provide one (1) copy of the notice of lien to
8 the recipient or the Medicaid recipient's authorized representative,
9 if applicable, whose real property is affected.

10 Sec. 6. (a) Beginning on the date on which a notice of lien is
11 recorded in the office of the county recorder under section 5 of this
12 chapter, the notice of lien:

13 (1) constitutes due notice of a lien against the Medicaid
14 recipient's real property for any amount then recoverable and
15 any amount that becomes recoverable under this article; and

16 (2) gives a specific lien in favor of the office.

17 (b) The lien continues from the date of filing the lien until the
18 lien is satisfied or released.

19 Sec. 7. The office may bring proceedings in foreclosure on a lien
20 arising under this chapter:

21 (1) during the lifetime of the Medicaid recipient if the
22 Medicaid recipient or a person acting on behalf of the
23 Medicaid recipient sells the property; or

24 (2) upon the death of the Medicaid recipient.

25 Sec. 8. (a) The office may not enforce a lien under this chapter
26 if the Medicaid recipient is survived by any of the following:

27 (1) The recipient's spouse.

28 (2) The recipient's child who is:

29 (A) less than twenty-one (21) years of age; or

30 (B) disabled as defined by the federal Supplemental
31 Security Income program.

32 (3) The recipient's parent.

33 (b) The office may not enforce a lien under this chapter as long
34 as any of the following individuals reside in the home:

35 (1) The recipient's child of any age if the child:

36 (A) resided in the home for at least twenty-four (24)
37 months before the Medicaid recipient was admitted to the
38 medical institution;

39 (B) provided care to the Medicaid recipient that delayed
40 the Medicaid recipient's admission to the medical
41 institution; and

42 (C) has resided in the home on a continuous basis since the

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1 date of the individual's admission to the medical
2 institution.

3 (2) The Medicaid recipient's sibling who has an ownership
4 interest in the home and who has lived in the home
5 continuously beginning at least twelve (12) months before the
6 Medicaid recipient was admitted to the medical institution.

7 Sec. 9. (a) The office shall release a lien imposed under this
8 chapter within ten (10) business days after the county office of
9 family and children receives notice that the Medicaid recipient:

10 (1) was discharged from the medical institution; and

11 (2) is living in the home.

12 (b) The county recorder shall waive the filing fee for the filing
13 of a release made under this section.

14 (c) If the property subject to the lien is sold, the office shall
15 release its lien at the closing, and the lien shall attach to the net
16 proceeds of the sale.

17 Sec. 10. (a) The office may not enforce a lien against property
18 with a value equal to or less than seventy-five thousand dollars
19 (\$75,000.00). If the value of the property subject to the lien exceeds
20 seventy-five thousand dollars (\$75,000.00), the value of the
21 property equal to or less than seventy-five thousand dollars
22 (\$75,000.00) is exempt from the lien.

23 (b) This section expires January 1, 2008.

24 Sec. 11. (a) As used in this section "financial institution" means
25 a bank, a trust company, a corporate fiduciary, a savings
26 association, a credit union, a savings bank, a bank of discount and
27 deposit, or an industrial loan and investment company organized
28 or reorganized under the laws of this state, another state (as
29 defined in IC 28-2-17-19), or United States law. The term also
30 includes a consumer finance institution licensed to make supervised
31 or regulated loans under IC 24-4.5.

32 (b) A lien obtained under this chapter is subordinate to the
33 security interest of a financial institution that loans money for any
34 of the following purposes:

35 (1) The payment of taxes, insurance, maintenance, and repairs
36 in order to preserve and maintain the property.

37 (2) Operating capital for the operation of a farm, business, or
38 income producing real property.

39 (3) The payment of medical, dental, or optical expenses
40 incurred by the recipient, the recipient's spouse, a dependent
41 parent, or a child who is less than twenty-one (21) years of age
42 or who is disabled under criteria established by the federal

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Supplemental Security Income program.

(4) The reasonable costs and expenses for the support, maintenance, comfort, and education of the recipient's spouse, a dependent parent, or a child who is less than twenty-one (21) years of age or who is disabled under criteria established by the federal Supplemental Security Income program.

SECTION 92. IC 12-15-9-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 0.5. As used in this chapter, "estate" includes:

(1) all real and personal property and other assets included within an individual's probate estate; and

(2) any other real and personal property and other assets in which the individual had legal title or an interest at the time of death to the extent of the individual's interest, including assets conveyed to a survivor, an heir, or an assign of the deceased individual through any of the following:

(A) Joint tenancy.

(B) Tenancy in common.

(C) Survivorship.

(D) Life estate.

(E) Trust, except for a trust:

(i) that meets the requirements of 42 U.S.C. 1396p(d)(4); or

(ii) that is funded with assets of a person other than the individual or the individual's spouse.

(F) Any other arrangement.

SECTION 93. IC 12-15-9-0.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 0.6. (a) This section applies only to assets that are not included within an individual's probate estate.

(b) The office may enforce its claim only to the extent that the value of the property subject to the claim exceeds seventy-five thousand dollars (\$75,000.00).

(c) This section expires January 1, 2008.

SECTION 94. IC 12-15-9-0.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 0.7. (a) This section applies only to assets that are not included within an individual's probate estate.

(b) As used in this section "nonprobate transferee" means a person receiving property described in section 0.5 of this chapter.

(c) The liability of a nonprobate transferee for the office's claim under this chapter may not:



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(1) exceed the value of the nonprobate transfers received or controlled by the transferee; and

(2) include the net contributions of the transferee.

(d) Upon notice to a nonprobate transferee, the office may enforce its claim in a proceeding in Indiana in the county in which the:

(1) transfer occurred;

(2) transferee is located; or

(3) probate action is pending.

(e) Enforcement of a claim against assets that are not included within an individual's probate estate must be commenced not later than twelve (12) months after the decedent's death.

SECTION 95. IC 12-15-9-0.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2002]: **Sec. 0.8. Any nonprobate assets:**

(1) that the office determined were exempt or unavailable assets; or

(2) that were transferred out of the probate estate; before May 1, 2002, may not be included in the definition of estate under this chapter.

SECTION 96. IC 12-15-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. An applicant for or a recipient of Medicaid may appeal to the office if one (1) of the following occurs:

(1) An application or a request is not acted upon by the county office within a reasonable time after the application or request is filed.

(2) The application is denied.

(3) The applicant or recipient is dissatisfied with the action of the county office.

(4) The recipient is dissatisfied with a determination made by the office under IC 12-15-8.5.

SECTION 97. IC 13-21-3-12, AS AMENDED BY P.L.225-2001, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. Except as provided in section 14.5 of this chapter, the powers of a district include the following:

(1) The power to develop and implement a district solid waste management plan under IC 13-21-5.

(2) The power to impose district fees on the final disposal of solid waste within the district under IC 13-21-13.

(3) The power to receive and disburse money, if the primary purpose of activities undertaken under this subdivision is to carry

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out the provisions of this article.

(4) The power to sue and be sued.

(5) The power to plan, design, construct, finance, manage, own, lease, operate, and maintain facilities for solid waste management.

(6) The power to enter with any person into a contract or an agreement that is necessary or incidental to the management of solid waste. Contracts or agreements that may be entered into under this subdivision include those for the following:

(A) The design, construction, operation, financing, ownership, or maintenance of facilities by the district or any other person.

(B) The managing or disposal of solid waste.

(C) The sale or other disposition of materials or products generated by a facility.

Notwithstanding any other statute, the maximum term of a contract or an agreement described in this subdivision may not exceed forty (40) years.

(7) The power to enter into agreements for the leasing of facilities in accordance with IC 36-1-10 or IC 36-9-30.

(8) The power to purchase, lease, or otherwise acquire real or personal property for the management or disposal of solid waste.

(9) The power to sell or lease any facility or part of a facility to any person.

(10) The power to make and contract for plans, surveys, studies, and investigations necessary for the management or disposal of solid waste.

(11) The power to enter upon property to make surveys, soundings, borings, and examinations.

(12) The power to:

(A) accept gifts, grants, loans of money, other property, or services from any source, public or private; and

(B) comply with the terms of the gift, grant, or loan.

(13) The power to levy a tax within the district to pay costs of operation in connection with solid waste management, subject to the following:

(A) Regular budget and tax levy procedures.

(B) Section 16 of this chapter.

However, except as provided in ~~section~~ **sections 15 and 15.5** of this chapter, a property tax rate imposed under this article may not exceed eight and thirty-three hundredths cents (\$0.0833) on each one hundred dollars (\$100) of assessed valuation of property in the district.

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- 1 (14) The power to borrow in anticipation of taxes.
- 2 (15) The power to hire the personnel necessary for the
- 3 management or disposal of solid waste in accordance with an
- 4 approved budget and to contract for professional services.
- 5 (16) The power to otherwise do all things necessary for the:
- 6 (A) reduction, management, and disposal of solid waste; and
- 7 (B) recovery of waste products from the solid waste stream;
- 8 if the primary purpose of activities undertaken under this
- 9 subdivision is to carry out the provisions of this article.
- 10 (17) The power to adopt resolutions that have the force of law.
- 11 However, a resolution is not effective in a municipality unless the
- 12 municipality adopts the language of the resolution by ordinance
- 13 or resolution.
- 14 (18) The power to do the following:
- 15 (A) Implement a household hazardous waste and conditionally
- 16 exempt small quantity generator (as described in 40 CFR
- 17 261.5(a)) collection and disposal project.
- 18 (B) Apply for a household hazardous waste collection and
- 19 disposal project grant under IC 13-20-20 and carry out all
- 20 commitments contained in a grant application.
- 21 (C) Establish and maintain a program of self-insurance for a
- 22 household hazardous waste and conditionally exempt small
- 23 quantity generator (as described in 40 CFR 261.5(a))
- 24 collection and disposal project, so that at the end of the
- 25 district's fiscal year the unused and unencumbered balance of
- 26 appropriated money reverts to the district's general fund only
- 27 if the district's board specifically provides by resolution to
- 28 discontinue the self-insurance fund.
- 29 (D) Apply for a household hazardous waste project grant as
- 30 described in IC 13-20-22-2 and carry out all commitments
- 31 contained in a grant application.
- 32 (19) The power to enter into an interlocal cooperation agreement
- 33 under IC 36-1-7 to obtain:
- 34 (A) fiscal;
- 35 (B) administrative;
- 36 (C) managerial; or
- 37 (D) operational;
- 38 services from a county or municipality.
- 39 (20) The power to compensate advisory committee members for
- 40 attending meetings at a rate determined by the board.
- 41 (21) The power to reimburse board and advisory committee
- 42 members for travel and related expenses at a rate determined by

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the board.

(22) In a joint district, the power to pay a fee from district money to the counties in the district in which a final disposal facility is located.

(23) The power to make grants or loans of:

- (A) money;
- (B) property; or
- (C) services;

to public or private recycling programs, composting programs, or any other programs that reuse any component of the waste stream as a material component of another product, if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(24) The power to establish by resolution a nonreverting capital fund. A district's board may appropriate money in the fund for:

- (A) equipping;
- (B) expanding;
- (C) modifying; or
- (D) remodeling;

an existing facility. Expenditures from a capital fund established under this subdivision must further the goals and objectives contained in a district's solid waste management plan. Not more than five percent (5%) of the district's total annual budget for the year may be transferred to the capital fund that year. The balance in the capital fund may not exceed twenty-five percent (25%) of the district's total annual budget. If a district's board determines by resolution that a part of a capital fund will not be needed to further the goals and objectives contained in the district's solid waste management plan, that part of the capital fund may be transferred to the district's general fund, to be used to offset tipping fees, property tax revenues, or both tipping fees and property tax revenues.

(25) The power to conduct promotional or educational programs that include giving awards and incentives that further the district's solid waste management plan.

(26) The power to conduct educational programs under IC 13-20-17.5 to provide information to the public concerning:

- (A) the reuse and recycling of mercury in:
 - (i) mercury commodities; and
 - (ii) mercury-added products; and
- (B) collection programs available to the public for:
 - (i) mercury commodities; and

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(ii) mercury-added products.

(27) The power to implement mercury collection programs under IC 13-20-17.5 for the public and small businesses.

SECTION 98. IC 13-21-3-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 15.5. (a) A district may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district with respect to 2001 property taxes payable in 2002:**

(1) imposed the maximum property tax rate established under section 12 of this chapter; and

(2) collected property tax revenue in an amount less than the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section.

(c) An additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in IC 6-1.1-21-2); and

(2) may not exceed the rate calculated to result in a property tax levy equal to the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(c) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.

SECTION 99. IC 21-2-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11. (a) To provide for the capital projects fund, the governing body may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of the school corporation. This actual rate must be advertised in the same manner as other property tax rates.**

(b) The maximum property tax rate levied by each school corporation must be adjusted each time a general reassessment of property takes effect for taxes payable in the year that immediately succeeds the year in which the general reassessment of property takes effect. The maximum property tax rate levied under subsection (a) applies for taxes payable in any other year.

(c) The new maximum rate under this section for taxes payable in the year that immediately succeeds the year in which the general



1 **reassessment of property takes effect** is the tax rate determined under
 2 STEP SEVEN of the following formula:

3 STEP ONE: Determine the maximum rate for the school
 4 corporation for the year preceding the year in which the general
 5 reassessment takes effect.

6 STEP TWO: Determine the actual percentage increase (rounded
 7 to the nearest one-hundredth percent (0.01%)) in the assessed
 8 value of the taxable property from the year preceding the year the
 9 general reassessment takes effect to the year that the general
 10 reassessment is effective.

11 STEP THREE: Determine the three (3) calendar years that
 12 immediately precede the ensuing calendar year and in which a
 13 statewide general reassessment of real property does not first
 14 become effective.

15 STEP FOUR: Compute separately, for each of the calendar years
 16 determined in STEP THREE, the actual percentage increase
 17 (rounded to the nearest one-hundredth percent (0.01%)) in the
 18 assessed value of the taxable property from the preceding year.

19 STEP FIVE: Divide the sum of the three (3) quotients computed
 20 in STEP FOUR by three (3).

21 STEP SIX: Determine the greater of the following:

22 (A) Zero (0).

23 (B) The result of the STEP TWO percentage minus the STEP
 24 FIVE percentage.

25 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 26 divided by the sum of one (1) plus the STEP SIX percentage
 27 increase.

28 (d) The ~~state board of tax commissioners~~ **department of local**
 29 **government finance** shall compute the maximum rate allowed under
 30 subsection (c) and provide the rate to each school corporation.

31 SECTION 100. IC 33-3-5-12 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The tax
 33 court shall establish a small claims docket for processing:

34 (1) claims for refunds from the department of state revenue that
 35 do not exceed five thousand dollars (\$5,000) for any year; and

36 (2) appeals of final determinations of assessed value made by the
 37 ~~state board of tax commissioners~~ **Indiana board of tax review**
 38 that do not exceed forty-five thousand dollars (\$45,000).

39 (b) The tax court shall adopt rules and procedures under which
 40 cases on the small claims docket are heard and decided.

41 SECTION 101. IC 33-3-5-14.1 IS ADDED TO THE INDIANA
 42 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2001 (RETROACTIVE)]: **Sec. 14.1. (a) The burden of demonstrating the invalidity of an action taken by the state board of tax commissioners is on the party to the judicial review proceeding asserting the invalidity.**

(b) The validity of an action taken by the state board of tax commissioners shall be determined in accordance with the standards of review provided in this section as applied to the agency action at the time it was taken.

(c) The tax court shall make findings of fact on each material issue on which the court's decision is based.

(d) The tax court shall grant relief under section 15 of this chapter only if the tax court determines that a person seeking judicial relief has been prejudiced by an action of the state board of tax commissioners that is:

- (1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;**
- (2) contrary to constitutional right, power, privilege, or immunity;**
- (3) in excess of or short of statutory jurisdiction, authority, or limitations;**
- (4) without observance of procedure required by law; or**
- (5) unsupported by substantial or reliable evidence.**

(e) Subsection (d) may not be construed to change the substantive precedential law embodied in judicial decisions that are final as of January 1, 2002.

SECTION 102. IC 33-3-5-14.2, AS ADDED BY P.L.198-2001, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14.2. (a) The office of the attorney general shall represent a township assessor, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals that:**

- (1) made an original determination that is the subject of a judicial proceeding in the tax court; and**
- (2) is a defendant in a judicial proceeding in the tax court.**

(b) Notwithstanding representation by the office of the attorney general, the duty of discovery is on the parties to the judicial proceeding.

(c) Discovery conducted under subsection (b) shall be limited to production of documents from the administrative law judge presiding over the review under IC 6-1.1-15-3. The administrative law judge shall not be summoned to testify before the tax court unless verified proof is offered to the tax court that the impartiality of the

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administrative law judge was compromised concerning the review.

(d) A township assessor, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals:

(1) may seek relief from the tax court to establish that the Indiana board of tax review rendered a decision that was:

(1) (A) an abuse of discretion;

(2) (B) arbitrary and capricious;

(3) (C) contrary to substantial or reliable evidence; or

(4) (D) contrary to law; and

(2) may not be represented by the office of the attorney general in an action initiated under subdivision (1).

SECTION 103. IC 34-6-2-38, AS AMENDED BY P.L.250-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 38. (a) "Employee" and "public employee", for purposes of section 91 of this chapter, IC 34-13-2, IC 34-13-3, IC 34-13-4, and IC 34-30-14, mean a person presently or formerly acting on behalf of a governmental entity, whether temporarily or permanently or with or without compensation, including members of boards, committees, commissions, authorities, and other instrumentalities of governmental entities, volunteer firefighters (as defined in IC 36-8-12-2), and elected public officials.

(b) The term also includes attorneys at law whether employed by the governmental entity as employees or independent contractors and physicians licensed under IC 25-22.5 and optometrists who provide medical or optical care to confined offenders (as defined in IC 11-8-1) within the course of their employment by or contractual relationship with the department of correction. However, the term does not include:

(1) an independent contractor (other than an attorney at law, a physician, or an optometrist described in this section);

(2) an agent or employee of an independent contractor;

(3) a person appointed by the governor to an honorary advisory or honorary military position; or

(4) a physician licensed under IC 25-22.5 with regard to a claim against the physician for an act or omission occurring or allegedly occurring in the physician's capacity as an employee of a hospital.

(c) A physician licensed under IC 25-22.5 who is an employee of a governmental entity (as defined in IC 34-6-2-49) shall be considered a public employee for purposes of IC 34-13-3-3(21).

(d) For purposes of IC 34-13-3 and IC 34-13-4, the term includes a person that engages in an act or omission before July 1, 2004, in the person's capacity as:



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- (1) a contractor under IC 6-1.1-4-32;
- (2) an employee acting within the scope of the employee's duties for a contractor under IC 6-1.1-4-32;
- (3) a subcontractor of the contractor under IC 6-1.1-4-32 that is acting within the scope of the subcontractor's duties; or
- (4) an employee of a subcontractor described in subdivision (3) that is acting within the scope of the employee's duties.

SECTION 104. IC 36-2-5-3, AS AMENDED BY P.L.198-2001, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 3. (a) The county fiscal body shall fix the compensation of officers, deputies, and other employees whose compensation is payable from the county general fund, county highway fund, county health fund, county park and recreation fund, aviation fund, or any other fund from which the county auditor issues warrants for compensation. This includes the power to:

- (1) fix the number of officers, deputies, and other employees;
- (2) describe and classify positions and services;
- (3) adopt schedules of compensation; and
- (4) hire or contract with persons to assist in the development of schedules of compensation.

(b) The county fiscal body shall ~~fix the annual compensation of~~ **provide for** a county assessor **or elected township assessor** who has attained a level two certification under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ one thousand dollars (\$1,000), ~~more than which is in addition to and not part of~~ the annual compensation of ~~an the~~ assessor. ~~who has not attained a level two certification~~. The county fiscal body shall ~~fix the annual compensation of~~ **provide for** a county or township deputy assessor who has attained a level two certification under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ five hundred dollars (\$500), ~~more than which is in addition to and not part of~~ the annual compensation of ~~a the~~ county or township deputy assessor. ~~who has not attained a level two certification~~.

(c) Notwithstanding subsection (a), the board of each local health department shall prescribe the duties of all its officers and employees, recommend the number of positions, describe and classify positions and services, adopt schedules of compensation, and hire and contract with persons to assist in the development of schedules of compensation.

(d) This section does not apply to community corrections programs (as defined in IC 11-12-1-1 and IC 35-38-2.6-2).

SECTION 105. IC 36-2-5-13 IS AMENDED TO READ AS



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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The compensation of an elected county officer may not be changed in the year for which it is fixed. The compensation of other county officers, deputies, and employees or the number of each may be changed at any time on:

(1) the application of the **county fiscal body or the** affected officer, department, commission or agency; and

(2) a ~~two-thirds (2/3)~~ **majority** vote of the county fiscal body.

SECTION 106. IC 36-2-9-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. The county auditor shall:**

(1) maintain an electronic data file of the information contained on the tax duplicate for all:

(A) parcels; and

(B) personal property returns;

for each township in the county as of each assessment date;

(2) maintain the file in the form required by:

(A) the legislative services agency; and

(B) the department of local government finance; and

(3) transmit the data in the file with respect to the assessment date of each year before October 1 of the year to:

(A) the legislative services agency; and

(B) the department of local government finance.

SECTION 107. IC 36-7-13-2.4, AS AMENDED BY P.L.174-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.4. **Except as provided in section 10.7(c) of this chapter,** as used in this chapter, "gross retail base period amount" means:

(1) the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a district during the full state fiscal year that precedes the date on which:

(A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or

(B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter; or

(2) an amount equal to:

(A) the aggregate amount of state gross retail and use taxes remitted:

(i) under IC 6-2.5 by the businesses operating in the territory

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comprising a district; and

(ii) during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter.

SECTION 108. IC 36-7-13-3.2, AS AMENDED BY P.L.174-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.2. **Except as provided in section 10.7(d) of this chapter**, as used in this chapter, "income tax base period amount" means:

(1) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district for the state fiscal year that precedes the date on which:

(A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or

(B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter; or

(2) an amount equal to:

(A) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter.

SECTION 109. IC 36-7-13-10.5, AS ADDED BY P.L.174-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.5. (a) This section applies only to a county that meets the following conditions:

(1) The county's annual rate of unemployment has been above the average annual statewide rate of unemployment during at least three (3) of the preceding five (5) years.

(2) The median income of the county has:

(A) declined over the preceding ten (10) years; or

(B) has grown at a lower rate than the average annual

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1 statewide growth in median income during at least three (3) of
2 the preceding five (5) years.

3 (3) The population of the county (as determined by the legislative
4 body of the county) has declined over the preceding ten (10)
5 years.

6 (b) **Except as provided in section 10.7 of this chapter**, in a county
7 described in subsection (a), the legislative body of the county may
8 adopt an ordinance designating an unincorporated part or
9 unincorporated parts of the county as a district, and the legislative body
10 of a municipality located within the county may adopt an ordinance
11 designating a part or parts of the municipality as a district, if the
12 legislative body finds all of the following:

13 (1) The area to be designated as a district contains a building or
14 buildings that:

15 (A) have ~~in aggregate~~, a total of at least fifty thousand (50,000)
16 square feet of usable interior floor space; and

17 (B) are vacant or will become vacant due to the relocation of
18 the employer or the ~~ceasing~~ **cessation** of operations on the site
19 by the employer.

20 (2) Significantly fewer persons are employed in the area to be
21 designated as a district than were employed in the area during the
22 year that is ten (10) years previous to the current year.

23 (3) There are significant obstacles to redevelopment in the area
24 due to any of the following problems:

25 (A) Obsolete or inefficient buildings.

26 (B) Aging infrastructure or inefficient utility services.

27 (C) Utility relocation requirements.

28 (D) Transportation or access problems.

29 (E) Topographical obstacles to redevelopment.

30 (F) Environmental contamination or remediation.

31 (c) A legislative body adopting an ordinance under subsection (b)
32 shall designate the duration of the district. However, the duration may
33 not exceed fifteen (15) years from the time of designation.

34 (d) **Except as provided in section 10.7 of this chapter**, upon
35 adoption of an ordinance designating a district, the legislative body
36 shall submit the ordinance to the budget committee for review and
37 recommendation to the budget agency.

38 (e) **Except as provided in section 10.7 of this chapter**, when
39 considering the designation of a district by an ordinance adopted under
40 this section, the budget committee and the budget agency must make
41 the following findings before approving the designation of the district:

42 (1) The area to be designated as a district meets the conditions

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necessary for the designation as a district.

(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(f) **Except as provided in section 10.7 of this chapter**, the income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the budget agency approves the designation of the district by the local ordinance.

SECTION 110. IC 36-7-13-10.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.7. (a) This section applies to a district designated under section 10.5 of this chapter and approved by the budget agency before January 1, 2002, in a city having a population of more than thirty-one thousand (31,000) but less than thirty-two thousand (32,000).**

(b) An area is added to and becomes part of a district described in subsection (a) if the area consists of property that:

(1) is located in a city having a population of more than thirty-one thousand (31,000) but less than thirty-two thousand (32,000); and

(2) experienced a loss of at least three hundred (300) jobs during the calendar year ending December 31, 2001.

(c) After the addition of property to a district described in subsection (a) under this section, the gross retail base period amount determined under section 2.4 of this chapter for the district before the addition of the property to the district under this section shall be increased by an amount equal to:

(1) the aggregate amount of state gross retail and use taxes remitted:

(A) under IC 6-2.5 by the businesses operating in the area added to the district under subsection (b); and

(B) during the period beginning after December 31, 2001, and ending before February 1, 2002; multiplied by

(2) twelve (12).

(d) After the addition of property to a district described in subsection (a) under this section, the income tax base period amount determined under section 3.2 of this chapter for the district before the addition of the property to the district under this section shall be increased by an amount equal to:

(1) the aggregate amount of state and local income taxes paid:

(A) by employees employed in the area added to the district under subsection (b) with respect to wages and

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1 salary earned for work in the area added; and
 2 (B) during the period beginning after December 31, 2001,
 3 and ending before February 1, 2002; multiplied by
 4 (2) twelve (12).

5 (e) The addition of property to a district under this section does
 6 not require adoption of an ordinance, review by the budget
 7 committee, or approval of the budget agency under section 10.5 of
 8 this chapter.

9 SECTION 111. IC 36-7-26-1, AS AMENDED BY P.L.291-2001,
 10 SECTION 200, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 1. This chapter
 12 applies to the following:

13 (1) A city having a population of more than seventy-five thousand
 14 (75,000) but less than ninety thousand (90,000).

15 (2) A city having a population of more than ~~ninety thousand~~
 16 ~~(90,000) but less than one hundred ten thousand (110,000): one~~
 17 **hundred five thousand (105,000) but less than one hundred**
 18 **twenty thousand (120,000).**

19 (3) A city having a population of more than one hundred fifty
 20 thousand (150,000) but less than five hundred thousand
 21 (500,000).

22 (4) A city having a population of more than one hundred twenty
 23 thousand (120,000) but less than one hundred fifty thousand
 24 (150,000).

25 SECTION 112. IC 36-7-26-23, AS AMENDED BY P.L.291-2001,
 26 SECTION 202, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 23. (a) Before
 28 the first business day in October of each year, the board shall require
 29 the department to calculate the net increment for the preceding state
 30 fiscal year. The department shall transmit to the board a statement as
 31 to the net increment in sufficient time to permit the board to review the
 32 calculation and permit the transfers required by this section to be made
 33 on a timely basis.

34 (b) There is established a sales tax increment financing fund to be
 35 administered by the treasurer of state. The fund is comprised of two (2)
 36 accounts called the net increment account and the credit account.

37 (c) On the first business day in October of each year, that portion of
 38 the net increment calculated under subsection (a) that is needed:

39 (1) to pay debt service on the bonds issued under section 24 of
 40 this chapter or to pay lease rentals under section 24 of this
 41 chapter; and

42 (2) to establish and maintain a debt service reserve established by

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the commission or by a lessor that provides local public improvements to the commission; shall be transferred to and deposited in the fund and credited to the net increment account. Money credited to the net increment account is pledged to the purposes described in subdivisions (1) and (2), subject to the other provisions of this chapter.

(d) On the first business day of October in each year, the remainder of:

- (1) eighty percent (80%) of the gross increment; minus
- (2) the amount credited to the net increment account on the same date;

shall be transferred and credited to the credit account.

(e) The remainder of:

- (1) the gross increment; minus
- (2) the amounts credited to the net increment account and the credit account;

shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(f) A city described in section 1(2), 1(3), or 1(4) of this chapter may receive not more than fifty percent (50%) of the net increment each year. During the time a district exists in a city described in section ~~1(2)~~, 1(3) or 1(4) of this chapter, not more than a total of one million dollars (\$1,000,000) of net increment may be paid to the city described in section ~~1(2)~~, 1(3) or 1(4) of this chapter. **During each year that a district exists in a city described in section 1(2) of this chapter, not more than one million dollars (\$1,000,000) of net increment may be paid to the city described in section 1(2) of this chapter.**

(g) The auditor of state shall disburse all money in the fund that is credited to the net increment account to the commission in equal semiannual installments on November 30 and May 31 of each year.

SECTION 113. IC 36-7-26-24, AS AMENDED BY P.L.185-2001, SECTION 9, AND AS AMENDED BY P.L.291-2001, SECTION 203, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 24. (a) The commission may issue bonds, payable in whole or in part, from money distributed from the fund to the commission, to finance a local public improvement under IC 36-7-14-25.1 or may make lease rental payments for a local public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The term of any bonds issued under this section may not exceed twenty (20) years, nor may the term of any lease agreement entered into under this section exceed twenty (20) years. The commission shall transmit to the board a transcript of the proceedings



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with respect to the issuance of the bonds or the execution and delivery of a lease agreement as contemplated by this section. The transcript must include a debt service or lease rental schedule setting forth all payments required in connection with the bonds or the lease rentals.

(b) On January 15 of each year, the commission shall remit to the treasurer of state the money disbursed from the fund that is credited to the net increment account that exceeds the amount needed to pay debt service or lease rentals and to establish and maintain a debt service reserve under this chapter in the prior year and before May 31 of that year. Amounts remitted under this subsection shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(c) The commission in a city described in section 1(2) of this chapter may ~~only~~ distribute money from the fund *only* for the following:

- (1) Road, interchange, and right-of-way improvements. ~~and for~~
- (2) **Acquisition costs of a commercial retail facility and for** real property acquisition costs in furtherance of the road, interchange, and right-of-way improvements.
- (3) **Demolition of commercial property and any related expenses incurred before or after the demolition of the commercial property.**
- (4) **For physical improvements or alterations of property that enhance the commercial viability of the district.**

(d) The commission in a city described in section 1(3) of this chapter may distribute money from the fund only for the following purposes:

- (1) For road, interchange, and right-of-way improvements and for real property acquisition costs in furtherance of the road, interchange, and right-of-way improvements.
- (2) For the demolition of commercial property and any related expenses incurred before or after the demolition of the commercial property.

(e) The commission in a city described in section 1(4) of this chapter may distribute money from the fund only for the following purposes:

- (1) For:
 - (A) the acquisition, demolition, and renovation of property; and
 - (B) site preparation and financing; related to the development of housing in the district.
- (2) For physical improvements or alterations of property that enhance the commercial viability of the district.



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SECTION 114. IC 36-7-31.3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. **Except as provided in section 8(b) of this chapter**, this chapter applies only to a city or a county without a consolidated city that has a professional sports franchise playing the majority of its home games in a facility owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11.

SECTION 115. IC 36-7-31.3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. As used in this chapter, "covered taxes" means **the part of the following taxes attributable to the operation of a facility designated as part of a tax area under section 8 of this chapter:**

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
- (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
- (3) A county option income tax imposed under IC 6-3.5.
- (4) **Except in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000)**, a food and beverage tax imposed under IC 6-9.

SECTION 116. IC 36-7-31.3-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5.5. As used in this chapter, "designating body" means a:

- (1) city legislative body; or
- (2) county legislative body;

that may establish a tax area under this chapter.

SECTION 117. IC 36-7-31.3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) **Except as provided in subsection (d)**, a ~~city or county legislative~~ **designating** body may ~~establish~~ **designate** as part of a professional sports and convention development area any facility that is:

- (1) owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used by a professional sports franchise **for practice or competitive sporting events**; or
- (2) owned by the city, the county, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used **as one (1) of the following:**
 - (A) **A facility used principally for convention or tourism related events serving national or regional markets.**



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(B) An airport.

(C) A museum.

(D) A zoo.

(E) A facility used for public attractions of national significance.

(F) A performing arts venue.

(G) A county courthouse registered on the National Register of Historic Places.

A facility may not include a private golf course or related improvements. The tax area may include only facilities described in this section and any parcel of land on which the a facility is located. An area may contain noncontiguous tracts of land within the city, or county, or school corporation.

(b) Except for a tax area that is located in a city having a population of:

(1) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or

(2) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

a tax area must include at least one (1) facility described in subsection (a)(1).

(c) Except as provided in subsection (d), a tax area may contain other facilities not owned by the designating body if:

(1) the facility is owned by a city, the county, a school corporation, or a board established under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11; and

(2) an agreement exists between the designating body and the owner of the facility specifying the distribution and uses of the covered taxes to be allocated under this chapter.

(d) In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), the designating body may designate only one (1) facility as part of a tax area. The facility designated as part of the tax area may not be a facility described in subsection (a)(1).

SECTION 118. IC 36-7-31.3-9, AS AMENDED BY P.L.174-2001, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) A tax area must be initially established by resolution:

(1) except as provided in subdivision (2), before July 1, 1999; or

(2) in the case of a second class city, before July 1, ~~2002~~; **2003**;

according to the procedures set forth for the establishment of an economic development area under IC 36-7-14. A tax area may be



changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area. **Only one (1) tax area may be created in each county.**

(b) In establishing the tax area, the ~~city or county legislative~~ **designating** body must make the following findings instead of the findings required for the establishment of economic development areas:

(1) **Except for a tax area in a city having a population of:**

(A) **more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or**

(B) **more than ninety thousand (90,000) but less than one hundred five thousand (105,000);**

there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used

~~(A) by a professional sports franchise for practice or~~

~~(B) for convention or tourism related events;~~ **competitive sporting events.**

A tax area to which this subdivision applies may also include a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.

(2) **For a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a) of this chapter.**

(3) **For a tax area in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.**

(4) **The capital improvement that will be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.**

~~(5)~~ **(5) The capital improvement that will be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.**

(c) The tax area established under this chapter is a special taxing district authorized by the general assembly to enable the designating body to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.



SECTION 119. IC 36-7-31.3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the ~~city or county legislative~~ **designating** body shall submit the resolution to the budget committee for review and recommendation to the budget agency.

SECTION 120. IC 36-7-31.3-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. When the ~~city or county legislative~~ **designating** body adopts an allocation provision, the county auditor shall notify the department by certified mail of the adoption of the provision and shall include with the notification a complete list of the following:

- (1) Employers in the tax area.
- (2) Street names and the range of street numbers of each street in the tax area.

The county auditor shall update the list before July 1 of each year.

SECTION 121. IC 36-7-31.3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. The department shall notify the county auditor of the amount of taxes to be distributed to the county treasurer. **For tax areas described in section 8(c) of this chapter, the department shall notify the county auditor of the amount of taxes to be distributed to each party to the agreement. The notice must specify the distribution and uses of covered taxes to be allocated under this chapter.**

SECTION 122. IC 36-7-31.3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. The resolution establishing the tax area must designate the use of the funds. The funds are to be used only for **the following**:

- (1) **Except in a tax area in a city having a population of:**
 - (A) **more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or**
 - (B) **more than ninety thousand (90,000) but less than one hundred five thousand (105,000);**

a capital improvement that will construct or equip a facility ~~(A)~~ owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise ~~or~~

~~(B)~~ **for practice or competitive sporting events. In a tax area to which this subdivision applies, funds may also be used for a capital improvement that will construct or equip a facility** owned by the city, the county, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for ~~convention~~



and tourism related events; or any purpose specified in section 8(a)(2) of this chapter.

(2) In a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a capital improvement that will construct or equip a facility owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a) of this chapter.

(3) In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a)(2) of this chapter.

(4) The financing or refinancing of a capital improvement described in subdivision (1), (2), or (3) or the payment of lease payments for a capital improvement described in subdivision (1), (2), or (3).

SECTION 123. IC 36-7-31.3-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 20. The ~~city or county~~ legislative designating body shall repay to the professional sports development area fund any amount that is distributed to the ~~city or county~~ legislative designating body and used for:

- (1) a purpose that is not described in this chapter; or
- (2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 10 of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

SECTION 124. IC 36-8-11-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 26. After a sufficient appropriation for the purchase of firefighting apparatus and equipment, including housing, is made and is available, the district's fiscal officer, with the approval of the board and the county fiscal body, may purchase the firefighting apparatus and equipment for the district on an installment conditional sale or mortgage contract running for a period not exceeding:

- (1) six (6) years; or



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(2) fifteen (15) years for a district that:

(A) has a total assessed value of ~~twenty six~~ **twenty six** million dollars ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(B) is purchasing the firefighting equipment with funding from the:

(i) state or its instrumentalities; or

(ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

SECTION 125. IC 36-8-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:

Sec. 5. After a sufficient appropriation has been made and approved and is available for the purchase of firefighting apparatus and equipment, including housing, the township executive, with the approval of the township legislative body, may purchase it for the township on an installment conditional sale or mortgage contract running for a period not exceeding:

(1) six (6) years; or

(2) fifteen (15) years for a township that:

(A) has a total assessed value of ~~twenty six~~ **twenty six** million dollars ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the ~~state board of tax commissioners;~~ **department of local government finance;** and

(B) is purchasing the firefighting equipment with funding from the:

(i) state or its instrumentalities; or

(ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

SECTION 126. IC 36-8-19-8.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:

Sec. 8.7. After a sufficient appropriation for the purchase of firefighting apparatus and equipment, including housing, is made and is available, the participating units, with the approval of the fiscal body of each participating unit, may purchase the firefighting apparatus and equipment for the territory on an installment conditional sale or mortgage contract running for a period not exceeding:

(1) six (6) years; or

(2) fifteen (15) years for a territory that:

(A) has a total assessed value of ~~twenty six~~ **twenty six** million dollars

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1 ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the
 2 ~~state board of tax commissioners;~~ **department of local**
 3 **government finance;** and

4 (B) is purchasing the firefighting equipment with funding from
 5 the:

6 (i) state or its instrumentalities; or

7 (ii) federal government or its instrumentalities.

8 The purchase shall be amortized in equal or approximately equal
 9 installments payable on January 1 and July 1 each year.

10 SECTION 127. THE FOLLOWING ARE REPEALED
 11 [EFFECTIVE UPON PASSAGE]: IC 6-1.1-33; IC 6-1.1-38.

12 SECTION 128. P.L.198-2001, SECTION 117, IS AMENDED TO
 13 READ AS FOLLOWS [EFFECTIVE JULY 1, 2001
 14 (RETROACTIVE)]: SECTION 117. (a) IC 6-1.1-15-3 and
 15 IC 6-1.1-15-4, both as amended by ~~this act~~; **P.L.198-2001**, apply to
 16 petitions for review filed under IC 6-1.1-15-3, as amended by ~~this act~~;
 17 **P.L.198-2001**, with respect to notices of action of the county property
 18 tax assessment board of appeals issued after December 31, 2001.

19 (b) IC 6-1.1-15-5 and IC 6-1.1-15-6, both as amended by ~~this act~~;
 20 **P.L.198-2001**, apply to petitions for judicial review of final
 21 determinations issued under IC 6-1.1-15-4, as amended by ~~this act~~;
 22 **P.L.198-2001**, after December 31, 2001.

23 (c) Petitions for review filed under IC 6-1.1-15-3 with respect to
 24 notices of action of the county property tax assessment board of appeals
 25 issued before January 1, 2002, that are pending before the state board
 26 of tax commissioners on December 31, 2001:

27 (1) are transferred to the Indiana board of tax review; and

28 (2) are subject to the law in effect before amendments under ~~this~~
 29 **act: P.L.198-2001.**

30 The state board of tax commissioners shall transfer to the Indiana board
 31 of tax review by January 1, 2002, the records relating to each petition
 32 for review referred to in this subsection.

33 (d) **Except as provided in subsection (e),** appeals initiated under
 34 IC 6-1.1-15-5 of final determinations of the state board of tax
 35 commissioners issued before January 1, 2002, are subject to the law in
 36 effect before amendments under ~~this act~~; **P.L.198-2001.**

37 (e) **Appeals initiated under IC 6-1.1-15-5 of final determinations**
 38 **of the state board of tax commissioners issued after June 30, 2001,**
 39 **and before January 1, 2002, are subject to IC 33-3-5-14.7, as added**
 40 **by P.L.198-2001.**

41 (f) IC 33-3-5-14, as amended by ~~this act~~; **P.L.198-2001**, and
 42 IC 33-3-5-14.2, IC 33-3-5-14.5, and IC 33-3-5-14.8, all as added by ~~this~~



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act, **P.L.198-2001**, apply to appeals initiated under IC 6-1.1-15-5, as amended by ~~this act~~, **P.L.198-2001**, of final determinations of the Indiana board of tax review issued after December 31, 2001.

(f) (g) The following, each as amended by ~~this act~~, **P.L.198-2001**, apply to refunds on refund claims filed after December 31, 2001:

IC 6-1.1-26-2

IC 6-1.1-26-3

IC 6-1.1-26-4

IC 6-1.1-26-5.

SECTION 129. [EFFECTIVE UPON PASSAGE] **The appointment by the governor of the commissioner of the department of local government finance before the effective date of this act is legalized and validated as if the appointment had been made on or after the effective date of this act.**

SECTION 130. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: (a) **IC 6-1.1-3-8.5 and IC 6-1.1-8-4.5, both as added by this act, apply to assessments for assessment dates after February 28, 2002.**

(b) **This SECTION expires January 1, 2003.**

SECTION 131. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: (a) **IC 6-1.1-12.1-4.5, as amended by this act, applies only to property taxes first due and payable after December 31, 2002.**

(b) **This SECTION expires January 1, 2004.**

SECTION 132. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)] (a) **IC 13-21-3-15.5, as added by this act, applies to property taxes first due and payable after December 31, 2001.**

(b) **The following, all as amended by this act, apply to property taxes first due and payable after December 31, 2001:**

IC 6-1.1-17-3

IC 6-1.1-17-5

IC 6-1.1-17-13

IC 6-1.1-18.5-9.8

IC 6-1.1-18.5-12

IC 6-1.1-19-2

IC 8-16-3.1-4

IC 13-21-3-12

IC 21-2-15-11

IC 36-8-11-26

IC 36-8-13-5

IC 36-8-19-8.7.

(c) **IC 6-1.1-20-1.1, IC 6-1.1-20-3.1, and IC 6-1.1-20-3.2, all as**



1 amended by this act, apply to bonds and leases for which notice
2 under IC 6-1.1-20-3.1, as amended by this act, is published and sent
3 after June 30, 2002.

4 (d) This SECTION expires January 1, 2003.

5 SECTION 133. [EFFECTIVE JULY 1, 2002] IC 6-2.5-5-13(d)(2),
6 as added by this act, applies to retail transactions occurring after
7 June 30, 2002.

8 SECTION 134. [EFFECTIVE UPON PASSAGE] (a)
9 Notwithstanding IC 6-3.5-1.1-3, the county council of a county
10 described in IC 6-3.5-1.1-2.8, as added by this act, may adopt an
11 ordinance to increase the county's adjusted gross income tax rate
12 after March 31, 2002, and before September 20, 2002.

13 (b) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
14 subsection (a) takes effect January 1, 2003.

15 (c) This SECTION expires January 2, 2003.

16 SECTION 135. [EFFECTIVE UPON PASSAGE] (a) As used in
17 this SECTION, "department" refers to the department of state
18 revenue.

19 (b) Notwithstanding IC 6-3.5-1.1-3, the county council of a
20 county described in IC 6-3.5-1.1-2.9, as added by this act, may
21 adopt an ordinance to increase the county's county adjusted gross
22 income tax rate after March 31, 2002, and before September 20,
23 2002.

24 (c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
25 this SECTION before June 1, 2002, takes effect July 1, 2002. In
26 determining the certified distribution for the calendar year
27 beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be
28 performed before July 2, 2002, for a county adopting an ordinance
29 within the time specified in this subsection, the department shall
30 take into account the certified ordinance forwarded to the
31 department under IC 6-3.5-1.1-3(c) in determining the amount of
32 the county's certified distribution for the calendar year beginning
33 January 1, 2003.

34 (d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
35 this SECTION after May 31, 2002, takes effect January 1, 2003.
36 Not later than thirty (30) days after receiving the certified
37 ordinance under IC 6-3.5-1.1-3(c) from a county adopting an
38 ordinance within the time specified in this subsection, the
39 department shall revise the county's certified distribution
40 determined under IC 6-3.5-1.1-9 for the calendar year beginning
41 January 1, 2003, to take into account the increased county adjusted
42 gross income tax rate specified in the certified ordinance.



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1 Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first
 2 distribution reflecting the increased county adjusted gross income
 3 tax rate shall be made to the county treasurer beginning November
 4 1, 2003.

5 (e) This SECTION expires January 1, 2004.

6 SECTION 136. [EFFECTIVE UPON PASSAGE] (a) As used in
 7 this SECTION, "department" refers to the department of state
 8 revenue.

9 (b) Notwithstanding IC 6-3.5-1.1-3, the county council of a
 10 county described in IC 6-3.5-1.1-3.6, as added by this act, may
 11 adopt an ordinance to increase the county's county adjusted gross
 12 income tax rate after March 31, 2002, and before September 20,
 13 2002.

14 (c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
 15 this SECTION before June 1, 2002, takes effect July 1, 2002. In
 16 determining the certified distribution for the calendar year
 17 beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be
 18 performed before July 2, 2002, for a county adopting an ordinance
 19 within the time specified in this subsection, the department shall
 20 take into account the certified ordinance forwarded to the
 21 department under IC 6-3.5-1.1-3(c) in determining the amount of
 22 the county's certified distribution for the calendar year beginning
 23 January 1, 2003.

24 (d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
 25 this SECTION after May 31, 2002, takes effect January 1, 2003.
 26 Not later than thirty (30) days after receiving the certified
 27 ordinance under IC 6-3.5-1.1-3(c) from a county adopting an
 28 ordinance within the time specified in this subsection, the
 29 department shall revise the county's certified distribution
 30 determined under IC 6-3.5-1.1-9 for the calendar year beginning
 31 January 1, 2003, to take into account the increased county adjusted
 32 gross income tax rate specified in the certified ordinance.
 33 Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first
 34 distribution reflecting the increased county adjusted gross income
 35 tax rate shall be made to the county treasurer beginning November
 36 1, 2003.

37 (e) This SECTION expires January 1, 2004.

38 SECTION 137. [EFFECTIVE UPON PASSAGE] (a)
 39 IC 6-1.1-10-21, as amended by this act, applies only to property
 40 taxes first due and payable after December 31, 2002.

41 (b) This SECTION expires January 1, 2004.

42 SECTION 138. [EFFECTIVE UPON PASSAGE] (a)



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1 Notwithstanding IC 36-7-13-13(a), the legislative body of a unit
 2 that designates a community revitalization enhancement district
 3 described in IC 36-7-13-10.7(a), as added by this act, shall send to
 4 the department of state revenue by certified mail the updated list:

5 (1) required under IC 36-7-13-13(a); and

6 (2) listing the:

7 (A) employers in the district; and

8 (B) street names and the range of street numbers of each
 9 street in the district;

10 after the addition of property to the district under
 11 IC 36-7-13-10.7(b), as added by this act, not later than May 31,
 12 2002.

13 (b) Notwithstanding IC 36-7-13-13(b), the department of state
 14 revenue shall calculate the:

15 (1) gross retail base period amount for the district described
 16 in subsection (a) as required under IC 36-7-13-10.7(c), as
 17 added by this act; and

18 (2) income tax base period amount for the district described
 19 in subsection (a) as required under IC 36-7-13-10.7(d), as
 20 added by this act;

21 not later than June 30, 2002.

22 (c) Notwithstanding IC 36-7-13-14, for the state fiscal year
 23 ending June 30, 2002, the department of state revenue shall
 24 calculate the:

25 (1) gross retail incremental amount for the district described
 26 in subsection (a) using the gross retail base period amount
 27 determined under subsection (b)(1); and

28 (2) income tax incremental amount for the district described
 29 in subsection (a) using the income tax base period amount
 30 determined under subsection (b)(2).

31 (d) This SECTION expires June 30, 2003.

32 SECTION 139. [EFFECTIVE JULY 1, 2002] IC 4-33-12-6, as
 33 amended by this act, applies to riverboat admissions taxes collected
 34 after June 30, 2002.

35 SECTION 140. [EFFECTIVE UPON PASSAGE] (a)
 36 Notwithstanding IC 36-7-13-13(a), the legislative body of a unit
 37 that designates a community revitalization enhancement district
 38 described in IC 36-7-13-10.7(a), as added by this act, shall send to
 39 the department of state revenue by certified mail the updated list:

40 (1) required under IC 36-7-13-13(a); and

41 (2) listing the:

42 (A) employers in the district; and



1 (B) street names and the range of street numbers of each
 2 street in the district;
 3 after the addition of property to the district under
 4 IC 36-7-13-10.7(b), as added by this act, not later than May 31,
 5 2002.

6 (b) Notwithstanding IC 36-7-13-13(b), the department of state
 7 revenue shall calculate the:

8 (1) gross retail base period amount for the district described
 9 in subsection (a) as required under IC 36-7-13-10.7(c), as
 10 added by this act; and

11 (2) income tax base period amount for the district described
 12 in subsection (a) as required under IC 36-7-13-10.7(d), as
 13 added by this act;

14 not later than June 30, 2002.

15 (c) Notwithstanding IC 36-7-13-14, for the state fiscal year
 16 ending June 30, 2002, the department of state revenue shall
 17 calculate the:

18 (1) gross retail incremental amount for the district described
 19 in subsection (a) using the gross retail base period amount
 20 determined under subsection (b)(1); and

21 (2) income tax incremental amount for the district described
 22 in subsection (a) using the income tax base period amount
 23 determined under subsection (b)(2).

24 (d) This SECTION expires June 30, 2003.

25 SECTION 141. [EFFECTIVE JANUARY 1, 2001
 26 (RETROACTIVE)]: (a) This SECTION applies notwithstanding:

- 27 (1) IC 6-1.1-3-7.5;
- 28 (2) IC 6-1.1-10-31.1;
- 29 (3) IC 6-1.1-11;
- 30 (4) 50 IAC 4.2-12-1;
- 31 (5) 50 IAC 16-3-2; and
- 32 (6) 50 IAC 16-4-1.

33 (b) For purposes of this SECTION, "taxpayer" means a
 34 taxpayer that filed a personal property tax return under IC 6-1.1-3
 35 for the March 1, 2001, assessment date:

36 (1) in a township having a population of more than
 37 ninety-three thousand (93,000) but less than one hundred ten
 38 thousand (110,000) located in a county containing a
 39 consolidated city; and

40 (2) on which the taxpayer reported a total assessed value of
 41 personal property of more than fifty-five million dollars
 42 (\$55,000,000) and less than fifty-six million dollars



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1 (\$56,000,000).

2 (c) A taxpayer may before January 1, 2003, file an amended
3 personal property tax return for the March 1, 2001, assessment
4 date.

5 (d) With respect to an amended personal property tax return
6 filed under subsection (c), a taxpayer is entitled to an exemption of
7 tangible personal property under IC 6-1.1-10-29, IC 6-1.1-10-29.3,
8 and IC 6-1.1-10-30 based on:

9 (1) the total cost of inventory reported on Schedule B of the
10 Form 103 filed as part of the amended personal property tax
11 return; and

12 (2) the ratio reported on the Form 103W filed as part of the
13 taxpayer's return referred to in subsection (b).

14 (e) A taxpayer shall pay taxes first due and payable in 2002
15 based on the assessed value of personal property reported in the
16 amended personal property tax return filed under subsection (c).

17 (f) This SECTION applies only to personal property taxes first
18 due and payable in 2002.

19 (g) This SECTION expires January 1, 2003.

20 SECTION 142. [EFFECTIVE UPON PASSAGE] (a) The
21 definitions contained in IC 6-1.1-12.1 apply to this SECTION.

22 (b) This SECTION applies to a property owner who:

23 (1) is located in an economic revitalization area situated in a
24 county having a population of more than one hundred
25 forty-eight thousand (148,000) but less than one hundred
26 seventy thousand (170,000);

27 (2) during February of 1999, was determined by a designating
28 body to be entitled to receive deductions for new
29 manufacturing equipment under IC 6-1.1-12.1-4.5;

30 (3) has substantially complied with the statement of benefits
31 filed under IC 6-1.1-12.1-4.5, including job creation or
32 retention, capital investment, and any other requirements
33 imposed by the designating body; and

34 (4) failed to timely file deduction applications under
35 IC 6-1.1-12.1-5.5 for the property tax deduction under
36 IC 6-1.1-12.1-4.5 with respect to deductions for property taxes
37 first due and payable in 2001 and 2002.

38 (c) Notwithstanding IC 6-1.1-12.1, the property owner is entitled
39 to the deductions described in subsection (b)(4) for property taxes
40 first due and payable in 2001 and 2002 if, before June 1, 2002, the
41 property owner files the deduction applications that would have
42 been necessary to obtain those deductions under IC 6-1.1-12.1.



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1 (d) Assessed value deductions granted under this SECTION
2 apply to the property owner's property taxes first due and payable
3 in 2001 and 2002. Notwithstanding any other law, the property
4 owner may, before June 1, 2002, file amended personal property
5 tax returns for property taxes first due and payable in 2001 and
6 2002. However, the interest provided for in IC 6-1.1-37-11 does not
7 apply to a property tax refund due the property owner as a result
8 of this SECTION.

9 (e) This SECTION expires December 31, 2003.

10 SECTION 143. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1196, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the amendment adopted by the consent of the House Ways and Means Committee on January 29, 2002.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-21.5-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The following ~~persons~~ have standing to obtain judicial review of an agency action:

- (1) A person to whom the agency action is specifically directed.
- (2) A person who was a party to the agency proceedings that led to the agency action.
- (3) A person eligible for standing under a law applicable to the agency action.
- (4) A person otherwise aggrieved or adversely affected by the agency action.

(5) The department of local government finance with respect to judicial review of a final determination of the Indiana board of tax review in an action in which the department has intervened under IC 6-1.1-15-5(b).

(b) A person has standing under subsection (a)(4) only if:

(1) the agency action has prejudiced or is likely to prejudice the interests of the person;

(2) the person:

(A) was eligible for an initial notice of an order or proceeding under this article, was not notified of the order or proceeding in substantial compliance with this article, and did not have actual notice of the order or proceeding before the last date in the proceeding that the person could object or otherwise intervene to contest the agency action; or

(B) was qualified to intervene to contest an agency action under IC 4-21.5-3-21(a), petitioned for intervention in the proceeding, and was denied party status;

(3) the person's asserted interests are among those that the agency was required to consider when it engaged in the agency action challenged; and

(4) a judgment in favor of the person would substantially eliminate or redress the prejudice to the person caused or likely

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to be caused by the agency action.

SECTION 1. IC 6-1.1-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. The township assessor shall:

- (1) examine and verify; or
- (2) **allow a contractor under IC 6-1.1-36-12 to examine and verify;**

the accuracy of each personal property return filed with ~~him~~ **the township assessor** by a taxpayer. If appropriate, the assessor **or contractor under IC 6-1.1-36-12** shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

SECTION 2. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) ~~In making a general reassessment of land used for agriculture, the county assessor shall appoint a committee of five (5) competent persons to help determine land values. At least two (2) of the committee members must be agricultural land owners of the county. The committee shall be known as the county agricultural land advisory committee. The indicators of value determined by this committee shall be submitted to the tax commissioners' agricultural advisory council, as established under IC 6-1.1-38-1, as guides for ascertaining the value of agricultural land.~~

(e) **(b) The state board of tax commissioners department of local government finance** shall give written notice to each county assessor of:

- (1) the availability of the United States Department of Agriculture's soil survey data; and
- (2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land.

(d) **(c) The state board of tax commissioners department of local government finance** shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

(e) **(d)** This section does not apply to land purchased for industrial, commercial, or residential uses.

SECTION 3. IC 6-1.1-4-25, AS AMENDED BY P.L.198-2001, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 25. (a) Each township assessor shall keep the assessor's reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. The township assessor's records shall at all times show the assessed value of real property in accordance with the provisions of this chapter. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

(b) The township assessor in a county having a consolidated city, or the county assessor in every other county, shall:

(1) maintain an electronic data file of:

(A) the parcel characteristics and parcel assessments of all parcels; **and**

(B) the personal property return characteristics and assessments by return;

for each township in the county as of each assessment date; ~~that is~~

(2) maintain the file in the form required by:

(A) the legislative services agency; and

(B) the department of local government finance; and

~~(2)~~ **(3) transmit the data in the file** with respect to the assessment date of each year before October 1 of the year to:

(A) the legislative services agency; and

(B) the department of local government finance.

SECTION 4. IC 6-1.1-4-27.5, AS ADDED BY P.L.198-2001, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in the county's property reassessment fund.

(b) With respect to the general reassessment of real property which is to commence on July 1, 2004, the county council of each county shall, for property taxes due in the year in which the general reassessment is to commence and the two (2) years immediately preceding that year, levy against all the taxable property of the county an amount equal to one-third ($1/3$) of the estimated cost of the general reassessment.

(c) With respect to a general reassessment of real property that is to commence on July 1, 2008, and each fourth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the three (3) years preceding

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that year, levy against all the taxable property in the county an amount equal to one-fourth (1/4) of the estimated cost of the general reassessment.

(d) The state board of tax commissioners or the department of local government finance shall give to each county council notice, before January 1 **in a year** of the tax levies required by this section **for that year**.

(e) The state board of tax commissioners or the department of local government finance may raise or lower the property ~~taxes levied tax~~ **levy** under this section for a year if the state board or the department determines it is appropriate because the estimated cost of ~~the a~~ general reassessment, **including a general reassessment to be completed for the March 1, 2002, assessment date**, has changed.

(f) If the county council determines that there is insufficient money in the county's reassessment fund to pay all expenses (as permitted under ~~section sections 28 28.5 and 32~~ of this chapter) relating to the general reassessment of real property commencing July 1, 2000, the county may, for the purpose of paying expenses (as permitted under ~~section sections 28 28.5 and 32~~ of this chapter) relating to the general reassessment commencing July 1, 2000, use money deposited in the fund from ~~taxes levied in the tax levy under this section for~~ 2000 or a later year.

SECTION 5. IC 6-1.1-4-32, AS ADDED BY P.L.151-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) **As used in this section, "contract" refers to a contract entered into under this section.**

(b) As used in this section, "contractor" refers to a firm that enters into a contract with the state board of tax commissioners (before January 1, 2002) or the department of local government finance (after December 31, 2001) under this section.

(c) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

~~(b)~~ (d) Notwithstanding ~~IC 6-1.1-4-15 sections 15 and IC 6-1.1-4-17, 17~~ of this chapter a township assessor in a qualifying county may not appraise property, or have property appraised, for the general reassessment of real property to be completed for the March 1, 2002, assessment date. Completion of that general reassessment in a qualifying county is instead governed by this section. The only duty of:

(1) a township assessor in a qualifying county; or

(2) a county assessor of a qualifying county;

with respect to that general reassessment is to provide to the ~~state board~~

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~~department of tax commissioners~~ **local government finance** or the ~~state board's department's~~ contractor under subsection ~~(c)~~ **(e)** any support and information requested by the state board **(before January 1, 2002), department (after December 31, 2001),** or the contractor. **This subsection expires June 30, 2004.**

~~(c)~~ **(e)** The state board of tax commissioners **(before January 1, 2002) and the department of local government finance (after December 31, 2001)** shall select and contract with a nationally recognized certified public accounting firm with expertise in the appraisal of real property to appraise property for the general reassessment of real property in a qualifying county to be completed for the March 1, 2002, assessment date. **The department of local government finance may enter into additional contracts to provide software or other auxiliary services to be used for the appraisal of property for the general reassessment.** The contract applies for the appraisal of land and improvements with respect to all classes of real property in the qualifying county. The contract must include:

- (1) a provision requiring the appraisal firm to:
 - (A) prepare a detailed report of:
 - (i) expenditures made after July 1, 1999, and before the date of the report from the qualifying county's reassessment fund under ~~IC 6-1.1-4-28; section 28 of this chapter (repealed);~~ and
 - (ii) the balance in the reassessment fund as of the date of the report; and
 - (B) file the report with:
 - (i) the legislative body of the qualifying county;
 - (ii) the prosecuting attorney of the qualifying county;
 - (iii) the ~~state board department of tax commissioners;~~ **local government finance;** and
 - (iv) the attorney general;
- (2) a fixed date by which the appraisal firm must complete all responsibilities under the contract;
- (3) **subject to subsection (t),** a provision requiring the appraisal firm to use the land values determined for the qualifying county under ~~IC 6-1.1-4-13.6; section 13.6 of this chapter;~~
- (4) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;
- (5) a provision requiring the appraisal firm to make periodic reports to the ~~state board department of tax commissioners;~~ **local government finance;**



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- (6) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (5) are to be made;
- (7) a precise stipulation of what service or services are to be provided;
- (8) a provision requiring the appraisal firm to deliver a report of the assessed value of each parcel in a township in the qualifying county to the ~~state board of tax commissioners;~~ **local government finance;** and
- (9) any other provisions required by the ~~state board of tax commissioners;~~ **local government finance.**

After December 31, 2001, the department of local government finance has all the powers and duties of the state board of tax commissioners provided under a contract entered into under this subsection (as effective before January 1, 2002) before January 1, 2002. The contract is valid to the same extent as if it were entered into by the department of local government finance. However, a reference in the contract to the state board of tax commissioners shall be treated as a reference to the department of local government finance. The contract shall be treated for all purposes, including the application of IC 33-3-5-2.5, as the contract of the department of local government finance. This subsection expires June 30, 2004.

(f) At least one (1) time each month, the contractors that will make physical visits to the site of real property for reassessment purposes shall publish a notice under IC 5-3-1 describing the areas that are scheduled to be visited within the next thirty (30) days and explaining the purposes of the visit. The notice shall be published in a way to promote understanding of the purposes of the visit in the affected areas. After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (e), the ~~state board of tax commissioners;~~ **local government finance shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment is subject to appeal by the taxpayer to the ~~state Indiana board of tax commissioners.~~ **state Indiana** board. Except as provided in subsection ~~(e);~~ **(g)**, the procedures and time limitations that apply to an appeal to the ~~state Indiana board of tax commissioners~~ of a determination of the county property tax assessment board of appeals under IC 6-1.1-15 apply to an appeal under this subsection. A determination by the ~~state Indiana board of tax commissioners~~ of an appeal under this subsection is subject to appeal to the tax court under IC 6-1.1-15. **This subsection****



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expires on the later of June 30, 2004, or the date a final determination is entered in the last pending appeal filed under this subsection.

~~(e)~~ (g) In order to obtain a review by the ~~state~~ **Indiana** board of tax commissioners under subsection ~~(d)~~, **(f)**, the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the ~~state board department of tax commissioners~~ **local government finance** is given to the taxpayer under subsection ~~(d)~~: **(f)**. **This subsection expires June 30, 2004.**

~~(f)~~ (h) The ~~state board department of tax commissioners~~ **local government finance** shall mail the notice required by subsection ~~(d)~~ **(f)** within ninety (90) days after the ~~board department of local government finance~~ receives the report for a parcel from the professional appraisal firm. **This subsection expires June 30, 2004.**

~~(g)~~ (i) The **qualifying county** shall pay the cost of ~~a~~ **any** contract under this section ~~shall be paid without appropriation~~ from the **county** property reassessment fund. ~~of the qualifying county established under IC 6-1.1-4-27.~~ However, the maximum amount that the **qualifying county** is obligated to pay for all contracts entered into under subsection (e) for the general reassessment of real property in the **qualifying county** to be completed for the March 1, 2002, assessment date is twenty-five million one hundred thousand dollars (\$25,100,000). A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;
- (2) obtains from the department of local government finance:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the **qualifying county**:
 - (A) a duplicate copy of the bill submitted to the department of local government finance;
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and



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(C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection. This subsection expires June 30, 2004.

(~~h~~) (j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the state board of tax commissioners (**before January 1, 2002**) and the department of local government finance (**after December 31, 2001**) under this section:

- (1) The commissioner of the **Indiana** department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.
- (4) The governor.

(~~i~~) (k) With respect to a general reassessment of real property to be completed under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** for an assessment date after the March 1, 2002, assessment date, the ~~state board department of tax commissioners~~ **local government finance** shall initiate a review with respect to the real property in a qualifying county or a township in a qualifying county, or a portion of the real



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property in a qualifying county or a township in a qualifying county. The ~~state board~~ **department of local government finance** may contract to have the review performed by an appraisal firm. The ~~state board~~ **department of local government finance** or its contractor shall determine for the real property under consideration and for the qualifying county or township the variance between:

- (1) the total assessed valuation of the real property within the qualifying county or township; and
- (2) the total assessed valuation that would result if the real property within the qualifying county or township were valued in the manner provided by law.

~~(j)~~ **(l)** If:

- (1) the variance determined under subsection ~~(j)~~ **(k)** exceeds ten percent (10%); and
- (2) the ~~state board~~ **department of tax commissioners local government finance** determines after holding hearings on the matter that a special reassessment should be conducted;

the ~~state board~~ **department of local government finance** shall contract for a special reassessment by an appraisal firm to correct the valuation of the property.

~~(k)~~ **(m)** If the variance determined under subsection ~~(j)~~ **(k)** is ten percent (10%) or less, the ~~state board~~ **department of tax commissioners local government finance** shall determine whether to correct the valuation of the property under:

- (1) sections 9 and 10 of this chapter; or
- (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

~~(h)~~ **(n)** The ~~state board~~ **department of tax commissioners local government finance** shall give notice by mail to a taxpayer of a hearing concerning the ~~state board's~~ **intent of the department of local government finance** to cause the taxpayer's property to be reassessed under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed. The ~~state board~~ **department of local government finance** may conduct a single hearing under this section with respect to multiple properties. The notice must state:

- (1) the time of the hearing;
- (2) the location of the hearing; and
- (3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the ~~state board's~~ **intent of the department of local government finance** to reassess property under this chapter.

~~(m)~~ **(o)** If the ~~state board~~ **department of tax commissioners local**

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government finance determines after the hearing that property should be reassessed under this section, the ~~state board~~ **department of local government finance** shall:

- (1) cause the property to be reassessed under this section;
- (2) mail a certified notice of its final determination to the county auditor of the qualifying county in which the property is located; and
- (3) notify the taxpayer by mail of its final determination.

~~(m)~~ **(p)** A reassessment may be made under this section only if the notice of the final determination under subsection ~~(h)~~ **(n)** is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

~~(o)~~ **(q)** If the ~~state board~~ **department of tax commissioners local government finance** contracts for a special reassessment of property under this section, the ~~state board~~ shall forward the bill for services of the contractor to the county auditor; and the ~~qualifying~~ county shall pay the bill, **without appropriation**, from the county **property** reassessment fund. **A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:**

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;**
- (2) obtains from the department of local government finance:**
 - (A) approval of the form and amount of the bill; and**
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and**
- (3) files with the county auditor of the qualifying county:**
 - (A) a duplicate copy of the bill submitted to the department of local government finance;**
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and**
 - (C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.**

An approval and a certification under subdivision (2) shall be



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treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

~~(p)~~ (r) A township assessor in a qualifying county or a county assessor of a qualifying county shall provide information requested in writing by the ~~state board~~ **department of tax commissioners local government finance** or the ~~state board's department's~~ contractor under this section not later than seven (7) days after receipt of the written request from the ~~state board~~ **department** or the contractor. If a township assessor or county assessor fails to provide the requested information within the time permitted in this subsection, the ~~state board~~ **department of tax commissioners local government finance** or the ~~state board's department's~~ contractor may seek an order of the tax court under IC 33-3-5-2.5 for production of the information.

~~(q)~~ (s) The provisions of this section are severable in the manner provided in IC 1-1-1-8(b).

(t) A contract entered into under subsection (e) is subject to this subsection. A contractor shall use the land values determined for the qualifying county under section 13.6 of this chapter to the extent that the contractor finds that the land values reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. If the contractor finds that the land values determined for the qualifying county under section 13.6 of this chapter do not reflect the true tax value of land,



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the contractor shall determine land values for the qualifying county that reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. The land values determined by the contractor shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The contractor shall notify the county assessor and the township assessors in the qualifying county of the land values as modified under this subsection. This subsection expires June 30, 2004.

(u) A contractor acting under a contract under subsection (e) may notify the department of local government finance if:

(1) the county auditor fails to:

- (A) certify the bill;
- (B) publish the claim;
- (C) submit the claim to the county executive; or
- (D) issue a warrant or check;

as required in subsection (i) at the first opportunity the county auditor is legally permitted to do so;

(2) the county executive fails to allow the claim as required in subsection (i) at the first opportunity the county executive is legally permitted to do so; or

(3) a person or entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts the process under this section for payment of a bill submitted by a contractor under subsection (i).

This subsection expires June 30, 2004.

(v) The department of local government finance, upon receiving notice under subsection (u) from the contractor, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

- (A) a failure occurred as described in subsection (b)(1) or (b)(2); or
- (B) a person or entity acted or failed to act as described in subsection (b)(3); and

(2) provide to the treasurer of state the department of local government finance's approval under subsection (i)(2)(A) of the bill with respect to which the contractor gave notice under subsection (u).

This subsection expires June 30, 2004.

(w) Upon receipt of the approval of the department of local government finance under subsection (v), the treasurer of state

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shall pay the contractor the amount of the bill approved by the department of local government finance from money in the possession of the state that would otherwise be available for distribution to the qualifying county, including distributions from the property tax replacement fund or distributions of admissions taxes or wagering taxes. This subsection expires June 30, 2004.

(x) The treasurer of state shall withhold from the part attributable to the county of the next distribution to the county treasurer under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or another law the amount of any payment made by the treasurer of state to the contractor under subsection (w). Money shall be deducted first from money payable under IC 6-1.1-21.4(b) and then from all other funds payable to the qualifying county. This subsection expires June 30, 2004.

(y) Compliance with subsections (u) through (x) shall be treated as compliance with IC 5-11-10. This subsection expires June 30, 2004.

(z) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (u) through (x). This subsection and subsections (u) through (y) shall be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county under this section are paid. Nothing in this subsection or subsections (u) through (y) shall be construed to create a debt of the state. This subsection expires June 30, 2004.

SECTION 6. IC 6-1.1-5-9.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.1. (a) Except:

(1) as provided in subsection (b); and

(2) for civil townships described in section 9 of this chapter; and notwithstanding the provisions of sections 1 through 8 of this chapter, for all other civil townships having a population of thirty-five thousand (35,000) or more, **for a civil township that falls below a population of thirty-five thousand (35,000) at a federal decennial census that takes effect after December 31, 2001**, and for all other civil townships in which a city of the second class is located, the township assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter.

(b) **In a civil township that attains a population of thirty-five thousand (35,000) or more at a federal decennial census that takes effect after December 31, 2001, the township assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter only if the county auditor and the township**

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assessor agree to transfer the duty from the county auditor to the township assessor.

(c) With respect to ~~these~~ townships **in which the township assessor makes the real property lists and the plats described in sections 1 through 8 of this chapter**, the county auditor shall, upon completing the tax duplicate, return the real property lists to the township assessor for the continuation of the lists by the assessor. If land located in one (1) of these townships is platted, the plat shall be presented to the township assessor instead of the county auditor, before it is recorded. The township assessor shall then enter the lots or parcels described in the plat on the tax lists in lieu of the land included in the plat.

SECTION 7. IC 6-1.1-5.5-4, AS AMENDED BY P.L.198-2001, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) A person filing a sales disclosure form under this chapter shall pay a fee of five dollars (\$5) to the county auditor.

(b) Eighty percent (80%) of the revenue **collected under this section and section 12 of this chapter** shall be deposited in the county sales disclosure fund established under section 4.5 of this chapter. Twenty percent (20%) of the revenue shall be transferred to the state treasurer for deposit in the state assessment training fund established under section 4.7 of this chapter.

SECTION 8. IC 6-1.1-5.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) A person who knowingly and intentionally:

- (1) falsifies the value of transferred real property; or
- (2) omits or falsifies any information required to be provided in the sales disclosure form;

commits a Class A ~~infraction~~ **misdemeanor**.

(b) A public official who knowingly and intentionally accepts:

- (1) a sales disclosure document for filing that:
 - (A) falsifies the value of transferred real property; or
 - (B) omits or falsifies any information required to be provided in the sales disclosure form; or
- (2) a conveyance document for recording in violation of section 6 of this chapter;

commits a Class A infraction.

SECTION 9. IC 6-1.1-5.5-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 12. (a) A party to a conveyance who:**

- (1) is required to file a sales disclosure form under this



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chapter; and
 (2) fails to file a sales disclosure form at the time and in the manner required by this chapter;
 is subject to a penalty in the amount determined under subsection (b).

(b) The amount of the penalty under subsection (a) is the greater of:

- (1) twenty-five dollars (\$25); or
- (2) twenty five thousandths of one percent (.025%) of the sale price of the real property transferred under the conveyance document.

(c) The county assessor shall:

- (1) determine the penalty imposed under this section;
- (2) assess the penalty to the party to a conveyance;
- (3) notify the party to the conveyance that the penalty is payable not later than thirty (30) days after notice of the assessment;
- (4) collect the penalty;
- (5) deposit penalty collections as required under section 4 of this chapter; and
- (6) notify the county prosecuting attorney of delinquent payments.

(d) The county prosecuting attorney shall initiate an action to recover a delinquent penalty under this section. In a successful action against a person for a delinquent penalty, the court shall award the county prosecuting attorney reasonable attorney's fees.

SECTION 10. IC 6-1.1-8-30, AS AMENDED BY P.L.198-2001, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 30. If a public utility company files its objections to the department of local government finance's tentative assessment of the company's distributable property in the manner prescribed in section 28 of this chapter, the company may initiate an appeal of the department's final assessment of that property by filing a petition with the Indiana board not more than ~~twenty (20)~~ **forty-five (45)** days after the department gives the public utility notice of the final determination. The public utility may petition for judicial review of the Indiana board's final determination to the tax court under IC 4-21.5-5. However, the company must:

- (1) **file a verified** petition for judicial review; and
- (2) mail to the county auditor of each county in which the public utility company's distributable property is located:
 - (A) a notice that the complaint was filed; and



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(B) instructions for obtaining a copy of the complaint; within ~~twenty (20)~~ **forty-five (45)** days after the date of the notice of the Indiana board's final determination.

SECTION 11. IC 6-1.1-10-21, AS AMENDED BY P.L.198-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

- (1) A building which is used for religious worship.
- (2) Buildings that are used as parsonages.
- (3) The pews and furniture contained within a building which is used for religious worship.
- (4) The tract of land, not exceeding ~~fifteen (15)~~ **fifty (50)** acres, upon which a building described in this section is situated.

(b) To obtain an exemption for parsonages, a church or religious society must provide the county auditor with an affidavit at the time the church or religious society applies for the exemptions. The affidavit must state that:

- (1) all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
- (2) none of the parsonages are being used to make a profit.

The affidavit shall be signed under oath by the church's or religious society's head rabbi, priest, preacher, minister, or pastor. The county auditor shall immediately forward a copy of the affidavit to the county assessor.

(c) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

SECTION 12. IC 6-1.1-11-3, AS AMENDED BY P.L.198-2001, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) An owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the ~~auditor~~ **county assessor** of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before May 15 on forms prescribed by the department of local government finance. ~~The county auditor shall immediately forward a copy of the certified application to the county assessor.~~ Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by

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an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

- (1) A description of the property claimed to be exempt in sufficient detail to afford identification.
- (2) A statement showing the ownership, possession, and use of the property.
- (3) The grounds for claiming the exemption.
- (4) The full name and address of the applicant.
- (5) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

SECTION 13. IC 6-1.1-15-1, AS AMENDED BY P.L.198-2001, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for review under this section; and
- (2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the assessor of the county in which the action is taken:

- (1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or
- (2) May 10 of that year;

whichever is later. The county assessor shall notify the county auditor that the assessment is under appeal.

(c) A change in an assessment made as a result of an appeal filed:

- (1) in the same year that notice of a change in the assessment is

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given to the taxpayer; and

(2) after the time prescribed in subsection (b);
becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The department of local government finance shall prescribe the form of the petition for review of an assessment determination by a township assessor. The department shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the department. The form must require the petitioner to specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination.
- (2) All other facts relevant to the assessment determination.
- (3) The reasons why the petitioner believes that the assessment determination by the township assessor is erroneous.

(f) The department of local government finance shall prescribe a form for a response by the township assessor to the petition for review of an assessment determination. The department shall issue instructions for completion of the form. The form must require the township assessor to indicate:

- (1) agreement or disagreement with each item indicated on the petition under subsection (e); and
- (2) the reasons why the assessor believes that the assessment determination is correct.

(g) Immediately upon receipt of a timely filed petition on the form prescribed under subsection (e), the county assessor shall forward a copy of the petition to the township assessor who made the challenged assessment. The township assessor shall, within thirty (30) days after the receipt of the petition, attempt to hold a preliminary conference with the petitioner and resolve as many issues as possible. Within ten (10) days after the conference, the township assessor shall forward to the county auditor and county assessor a completed response to the petition on the form prescribed under subsection (f). The county assessor shall immediately forward a copy of the response form to the

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petitioner and the county property tax assessment board of appeals. **If after the conference there are no items listed in the petition on which there is disagreement, the property tax assessment board of appeals may hold a hearing within ninety (90) days after the filing of the petition to review the agreement reached by the township assessor and the petitioner and to determine whether to change the assessment that would result from that agreement.** If after the conference there are items listed in the petition on which there is disagreement, the property tax assessment board of appeals shall hold a hearing within ninety (90) days of the filing of the petition on those items of disagreement, except as provided in ~~subsection~~ **subsections (h) and (i).** The taxpayer may present the taxpayer's reasons for disagreement with the assessment. **If the township assessor or county assessor for the county disagrees with the assessment, the township assessor or county assessor must present the basis for the assessment decision on these the items of disagreement to the board of appeals at the hearing and the reasons the petitioner's appeal should be denied on those items.** The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within sixty (60) days of the hearing, except as provided in ~~subsection~~ **subsections (h) and (i).** If the township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.

(h) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

- (1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and
- (2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

(i) **This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:**

- (1) **hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and**
- (2) **have a written record of the hearing and prepare a written statement of findings and a decision on each item within one**



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hundred twenty (120) days after the hearing.

(j) The county property tax assessment board of appeals:

- (1) may not require a taxpayer that files a petition for review under this section to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g); and
- (2) may require the parties to the appeal to file not more than ten (10) days before the date of the hearing required under subsection (g) lists of witnesses and exhibits to be introduced at the hearing.

SECTION 14. IC 6-1.1-15-5, AS AMENDED BY P.L.198-2001, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Within fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing within fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

- (1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and
- (2) shall issue a final determination within ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

Failure of the Indiana board to make a final determination within the time allowed under subdivision (2) shall be treated as a final determination affirming the original decision of the Indiana board.

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval

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of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the reassessment fund under IC 6-1.1-4-27. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. **The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A:**

- (1) township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section; or
- (2) county auditor who made the original enterprise zone inventory credit determination under appeal under IC 6-1.1-20.8; is a party to the review under this section to defend the determination.

(c) To initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) within:

- (1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or
- (2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(f) or 4(g) of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor or elected township assessor. If the county executive determines upon a request under this subsection to not appeal to the tax court, the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget.

SECTION 15. IC 6-1.1-15-8, AS AMENDED BY P.L.198-2001, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If a final determination by the Indiana board regarding the assessment of any tangible property is vacated, set aside, or adjudged null and void under the decision of the tax court



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under IC 4-21.5-5, the matter of the assessment of the property shall be remanded to the Indiana board for reassessment and further proceedings as specified in the decision of the tax court with instructions to the Indiana board to refer the matter to the:

- (1) department of local government finance with respect to an appeal of a determination made by the department; or
- (2) county property tax assessment board of appeals with respect to an appeal of a determination made by the county board;

to make another assessment. Upon remand, the Indiana board may take action only on those issues specified in the decision of the tax court.

(b) The ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** shall take action on a case ~~remanded~~ **referred** to it by the ~~tax court~~ **Indiana board under subsection (a)** not later than ninety (90) days after the date the ~~decision of the tax court is rendered;~~ **referral is made** unless an appeal of the final determination of the Indiana board is initiated under IC 4-21.5-5-16. The ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** may petition the ~~tax court~~ **Indiana board** at any time for an extension of the ninety (90) day period. An extension shall be granted upon a showing of reasonable cause.

(c) The taxpayer in a case remanded under subsection (a) may petition the tax court for an order requiring the ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** to show cause why action has not been taken pursuant to the ~~tax court's decision~~ **Indiana board's referral under subsection (a)** if:

- (1) at least ninety (90) days have elapsed since the ~~tax court's decision~~ **referral was rendered;** made;
- (2) the ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** has not taken action on the issues specified in the tax court's decision; and
- (3) an appeal of the tax court's decision has not been filed.

(d) If a case remanded under subsection (a) is appealed under IC 4-21.5-5-16, the ninety (90) day period provided in subsection (b) is tolled until the appeal is concluded.

SECTION 16. IC 6-1.1-15-9, AS AMENDED BY P.L.198-2001, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) If the assessment of tangible property

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is corrected by the ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** under section 8 of this chapter, the owner of the property has a right to appeal the ~~Indiana board's~~ final determination of the corrected assessment ~~in a case meeting the requirements of section 5(c)(1) or 5(c)(2) of this chapter, to the Indiana board.~~ The county executive also has a right to appeal the ~~Indiana board's~~ final determination of the reassessment **by the department of local government finance or the county property tax assessment board of appeals** but only upon request by the county assessor.

(b) An appeal under this section must be initiated in the manner prescribed in section ~~5 3~~ of this chapter **or IC 6-1.5-5."**

Page 13, between lines 2 and 3, begin a new paragraph and insert:
 "SECTION 22. IC 6-1.1-26-2, AS AMENDED BY P.L.198-2001, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The county auditor shall forward a claim for refund filed under section 1 of this chapter to the department of local government finance for review by the department if:

- (1) the claim is for the refund of taxes paid on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance; and
- (2) the claim is based upon the grounds specified in IC 6-1.1-26-1(4)(ii) or IC 6-1.1-26-1(4)(iii).

(b) The department of local government finance shall review each refund claim forwarded to it under this section. The department shall certify its approval or disapproval on the claim and shall return the claim to the county auditor.

(c) Before the department of local government finance disapproves a refund claim that is forwarded to it under this section, the department shall notify the claimant of its intention to disapprove the claim and of the time and place fixed for a hearing on the claim. The department shall hold the hearing within thirty (30) days after the date of the notice. The claimant has a right to be heard at the hearing. After the hearing, the department shall give the claimant notice of the department's final determination on the claim.

(d) If a person desires to initiate an appeal of the final determination of the department of local government finance to disapprove a claim under subsection (c), the person shall file a petition for review with the ~~Indiana board~~ **appropriate county assessor** not more than forty-five (45) days after the department gives the person notice of the final determination.

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(e) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under subsection (d), the person must petition for judicial review under IC 4-21.5-5 not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 17. IC 6-1.1-26-5, AS AMENDED BY P.L.198-2001, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 5. (a) When a claim for refund filed under section 1 of this chapter is allowed either by the county board of commissioners, the department of local government finance, the Indiana board, or the Indiana tax court on appeal, the claimant is entitled to a refund. The amount of the refund shall equal the amount of the claim so allowed plus, with respect to claims for refund filed after ~~June 30~~, **December 31**, 2001, interest at four percent (4%) from the date on which the taxes were paid or payable, whichever is later, to the date of the refund. The county auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this section.

(b) In the June or December settlement and apportionment of taxes, or both the June and December settlement and apportionment of taxes, immediately following a refund made under this section the county auditor shall deduct the amount refunded from the gross tax collections of the taxing units for which the refunded taxes were originally paid and shall pay the amount so deducted into the general fund of the county. However, the county auditor shall make the deductions and payments required by this subsection not later than the December settlement and apportionment.

SECTION 18. IC 6-1.1-28-1, AS AMENDED BY P.L.198-2001, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. In addition to the county assessor, only one (1) other individual who is an officer or employee of a county or township may serve on the board of appeals in the county in which the individual is an officer or employee. The fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two assessor-appraiser. The board of commissioners of the county shall appoint two (2) freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least

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three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two assessor-appraiser. However, if the county assessor is a certified level ~~2~~ **Indiana two** assessor-appraiser, the board of county commissioners may waive the requirement in this subsection that one (1) of the freehold members appointed by the board of county commissioners must be a certified level ~~2~~ **Indiana two** assessor-appraiser. A person appointed to a property tax assessment board of appeals may serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a voting member of the property tax assessment board of appeals. The county assessor shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board **that includes at least one (1) certified level two assessor-appraiser** constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

(b) The county assessor, county fiscal body, and board of county commissioners may agree to waive the requirement in subsection (a) that not more than three (3) of the five (5) members of the county property tax assessment board of appeals may be of the same political party if it is necessary to waive the requirement due to the absence of certified level ~~2~~ **two** Indiana assessor-appraisers:

- (1) who are willing to serve on the board; and
- (2) whose political party membership status would satisfy the requirement in subsection (c)(1).

(c) If the board of county commissioners is not able to identify at least two (2) prospective freehold members of the county property tax assessment board of appeals who are:

- (1) residents of the county;
- (2) certified level ~~2~~ **two** Indiana assessor-appraisers; and
- (3) willing to serve on the county property tax assessment board of appeals;

it is not necessary that at least three (3) of the five (5) members of the county property tax assessment board of appeals be residents of the county.

SECTION 19. IC 6-1.1-30-1.1, AS ADDED BY P.L.198-2001, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. **(a)** The department of local government

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finance is established.

(b) The governor shall appoint an individual with appropriate training and experience as commissioner of the department. The commissioner:

- (1) is the executive and chief administrative officer of the department;**
- (2) may delegate authority to appropriate department staff;**
- (3) serves at the pleasure of the governor; and**
- (4) is entitled to receive compensation in an amount set by the governor, subject to approval by the budget agency.**

SECTION 20. IC 6-1.1-35-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) All information ~~which~~ **that** is related to earnings, income, profits, losses, or expenditures and ~~which that~~ is: **either**

- (1) given by a person to:**
 - (A) an assessing official;**
 - (B) a member of a county property tax assessment board of appeals;**
 - (C) a county assessor; ~~or one (1) of their employees~~**
 - (D) an employee of a person referred to in clauses (A) through (C); or**
 - (E) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12; or**
- (2) acquired by:**
 - (A) an assessing official;**
 - (B) a member of a county property tax assessment board of appeals;**
 - (C) a county assessor; ~~or one (1) of their employees~~**
 - (D) an employee of a person referred to in clauses (A) through (C); or**
 - (E) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12;**

in the performance of his the person's duties;

is confidential. The assessed valuation of tangible property is a matter of public record and is thus not confidential. Confidential information may be disclosed only in a manner ~~which that~~ is authorized under subsection (b), (c), or (d).

(b) Confidential information may be disclosed to:

- (1) an official or employee of:**
 - (1) (A) this state or another state;**
 - (2) (B) the United States; or**
 - (3) (C) an agency or subdivision of this state, another state, or**



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the United States;
if the information is required in the performance of ~~his~~ **the** official duties **of the official or employee; or**

(2) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12 if the information is required in the performance of the official duties of the officer or employee.

(c) The following state agencies, or their authorized representatives, shall have access to the confidential farm property records and schedules ~~which that~~ are on file in the office of a county or township assessor:

(1) the Indiana state board of animal health, in order to perform its duties concerning the discovery and eradication of farm animal diseases;

(2) the department of agricultural statistics of Purdue University, in order to perform its duties concerning the compilation and dissemination of agricultural statistics; and

(3) any other state agency ~~which that~~ needs the information in order to perform its duties.

(d) Confidential information may be disclosed during the course of a judicial proceeding in which the regularity of an assessment is questioned.

(e) Confidential information ~~which that~~ is disclosed to a person under subsection (b) or (c) of this section retains its confidential status. Thus, that person may disclose the information only in a manner ~~which that~~ is authorized under subsection (b), (c), or (d). ~~of this section.~~

SECTION 21. IC 6-1.1-36-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. **(a)** ~~If~~ A board of county commissioners ~~enters may enter~~ into a contract for the discovery of property ~~which that~~ has been **undervalued or** omitted from assessment. **The contract may require the contractor to:**

(1) examine and verify the accuracy of personal property returns filed by taxpayers with a township assessor of a township in the county; and

(2) compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

(b) The investigation and collection expenses ~~shall of a contract under subsection (a)~~ may be deducted from the gross amount of taxes collected on the **undervalued or** omitted property ~~which that~~ is so discovered. The remainder of the taxes collected on the **undervalued or** omitted property shall be distributed to the appropriate taxing units.

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(c) A board of county commissioners may not contract for services under subsection (a) on a commission or percentage basis.

SECTION 22. IC 6-3.5-1.1-2, AS AMENDED BY P.L.135-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The county council of any county in which the county option income tax will not be in effect on July 1 of a year under an ordinance adopted during a previous calendar year may impose the county adjusted gross income tax on the adjusted gross income of county taxpayers of its county effective July 1 of that year.

(b) Except as provided in section 2.5, 2.7, **2.8, 2.9, or 3.5, or 3.6** of this chapter, the county adjusted gross income tax may be imposed at a rate of one-half of one percent (0.5%), three-fourths of one percent (0.75%), or one percent (1%) on the adjusted gross income of resident county taxpayers of the county. Any county imposing the county adjusted gross income tax must impose the tax on the nonresident county taxpayers at a rate of one-fourth of one percent (0.25%) on their adjusted gross income. If the county council elects to decrease the county adjusted gross income tax, the county council may decrease the county adjusted gross income tax rate in increments of one-tenth of one percent (0.1%).

(c) To impose the county adjusted gross income tax, the county council must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council imposes the county adjusted gross income tax on the county taxpayers of _____ County. The county adjusted gross income tax is imposed at a rate of _____ percent (____%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county. This tax takes effect July 1 of this year."

(d) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(e) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(f) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this

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chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 23. IC 6-3.5-1.1-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.8. (a) This section applies to a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).**

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

- (1) finance, construct, acquire, improve, renovate, or equip:**
 - (A) jail facilities;**
 - (B) juvenile court, detention, and probation facilities;**
 - (C) other criminal justice facilities; and**
 - (D) related buildings and parking facilities;**

located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and

- (2) repay bonds issued or leases entered into for the purposes described in subdivision (1).**

(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

- (1) fifteen-hundredths percent (0.15%);**
- (2) two-tenths percent (0.2%); or**
- (3) twenty-five hundredths percent (0.25%);**

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (c). The tax rate may not be imposed at a rate greater

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than is necessary to pay the costs of carrying out the purposes described in subsection (b)(1).

(e) The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the criminal justice facilities revenue fund before making a certified distribution under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may be used only for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for any or all the purposes described in subsection (b).

(g) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the completion of the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b);
- (2) the payment or provision for payment of all the costs for activities described in subdivision (1);
- (3) the redemption of bonds issued; and
- (4) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 24. IC 6-3.5-1.1-2.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.9. (a) This section applies to a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000).**

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

- (1) finance, construct, acquire, improve, renovate, remodel, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing

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buildings, the acquisition of land, and any other reasonably related costs; and

(2) repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

- (1) fifteen-hundredths percent (0.15%);
- (2) two-tenths percent (0.2%); or
- (3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b) are completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-five (25) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of financing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(e) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may be used only for the purposes described in this



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- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique governmental and economic development challenges due to:

- (1) underemployment in relation to similarly situated counties and the loss of a major manufacturing business;
- (2) an increase in property taxes for taxable years after December 31, 2000, for the construction of a new elementary school; and
- (3) overcrowding of the county jail, the costs associated with housing the county's inmates outside the county, and the potential unavailability of additional housing for inmates outside the county.

The use of county adjusted gross income tax revenues as provided in this chapter is necessary for the county to provide adequate jail capacity in the county and to maintain low property tax rates essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b), rather than the use of property taxes, promotes those purposes.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the redemption of bonds issued; or
- (2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 25. IC 6-3.5-1.1-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.6. (a) This section applies only to a county having a population of more than six thousand (6,000) but less than eight thousand (8,000).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:



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- (1) finance, construct, acquire, improve, renovate, or equip the county courthouse; and
- (2) repay bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, and equipping the county courthouse.

(c) In addition to the rates permitted under section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers in the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, and equipping described in subsection (b) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-two (22) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping the county courthouse.

(e) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before a certified distribution is made under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique economic development challenges due to:

- (1) the county's heavy agricultural base;



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- (2) the presence of a large amount of state owned property in the county that is exempt from property taxation; and
- (3) recent obligations of the school corporation in the county that have already increased property taxes in the county and imposed additional property tax burdens on the county's agricultural base.

Maintaining low property tax rates is essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b), rather than the use of property taxes, promotes that purpose.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the redemption of the bonds issued; or
- (2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 26. IC 6-3.5-1.1-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9.5. (a) **After January 1 and before April 1 of a year**, the county council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.

(b) To reduce the balance, a county council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance within ninety (90) days after the adoption of this ordinance."

(c) Not more than thirty (30) days after adopting an ordinance under subsection (b), the county council shall deliver a copy of the ordinance to the budget agency.

(d) Not later than:

- (1) sixty (60) days after a county council adopts an ordinance under subsection (b); and
- (2) December 31; ~~of each year~~;

the budget agency shall make the calculation described in subsection (e). Not later than ninety (90) days after the ordinance is adopted, the budget agency shall make an initial distribution to the county auditor of the amount determined under subsection (e) STEP FOUR.

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Subsequent distributions needed to distribute any amount in the county income tax special account that exceeds a three (3) month balance, as determined under STEP FOUR of subsection (e), shall be made in January of the ensuing calendar year after the calculation is made:

(e) The budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 8 of this chapter.

STEP TWO: Divide the amount estimated under section 9(b) of this chapter before any adjustments are made under section 9(c) or 9(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(f) For the purposes of this subsection and subsection (g), "civil taxing unit" includes a city or town that existed on January 1 of the year in which the distribution is made. The county auditor shall distribute an amount received under subsection (d) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount. However, the county auditor shall distribute an amount to a civil taxing unit that does not have a property tax levy in the year of the distribution based on an estimate certified by the state board of tax commissioners. The state board of tax commissioners shall compute and certify an amount for a civil taxing unit that does not have a property tax levy equal to the amount to be distributed multiplied by a fraction in which:

(1) the numerator of the fraction equals an estimate of the budget of that civil taxing unit for:

(A) that calendar year, if the civil taxing unit has adopted a resolution indicating that the civil taxing unit will not adopt a property tax in the ensuing calendar year; or

(B) the ensuing calendar year, if clause (A) does not apply; and

(2) the denominator of the fraction equals the aggregate attributed levies (as defined in IC 6-3.5-1.1-15) of all civil taxing units of that county for that calendar year plus the sum of the budgets estimated under subdivision (1) for each civil taxing unit that does not have a property tax levy in the year of the distribution.

(g) The civil taxing units may use the amounts received under subsection (f) for any item for which the particular civil taxing unit's certified shares may be used. The amount distributed shall not be included in the computation under IC 6-1.1-18.5-3.

SECTION 27. IC 6-3.5-1.1-10, AS AMENDED BY P.L.135-2001,



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SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) One-half (1/2) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (1/2) on November 1 of that calendar year.

(b) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) **revenue that must be used to pay the costs of:**

(A) **financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;**

(B) **debt service on bonds; or**

(C) **lease rentals;**

under section 2.8 of this chapter;

(3) revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, ~~or remodeling~~ of a jail **and related buildings and parking structures** under section 2.7 ~~or 2.9~~ of this chapter; ~~or~~

~~(3)~~ (4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~

(5) **revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;**

distributions made to a county treasurer under subsection (a) shall be treated as though they were property taxes that were due and payable during that same calendar year. The certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(c) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 28. IC 6-3.5-1.1-11, AS AMENDED BY P.L.135-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) **revenue that must be used to pay the costs of:**

(A) **financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;**

(B) **debt service on bonds; or**

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- (C) lease rentals;
 under section 2.8 of this chapter;
 (3) revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, **or remodeling** of a jail **and related buildings and parking structures** under section 2.7 **or 2.9** of this chapter; ~~or~~
 (3) (4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~
 (5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 2 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received. The percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 29. IC 6-3.5-1.1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21. Before ~~February 1~~ **July 2** of each year, the department shall submit a report to each county ~~treasurer~~ **auditor** indicating ~~the balance in the county's adjusted gross~~



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income tax account as of the end of the preceding year: the following:

- (1) The balance in the county's adjusted gross income tax account as of the end of the preceding year.
- (2) The required six (6) month balance, or three (3) month balance if the county has adopted an ordinance under section 9.5 of this chapter before the end of the preceding year.

SECTION 30. IC 6-3.5-1.1-21.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21.1. (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year in excess of the required six (6) or three (3) month balance, the department may make a supplemental distribution to a county from the county's adjusted gross income tax account.

(b) A supplemental distribution described in subsection (a) must be:

- (1) made in January of the ensuing calendar year; and
- (2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.

SECTION 31. IC 6-3.5-6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) This section applies to a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000).

(b) In addition to the actions authorized under section 2 of this chapter, a county income tax council may, using the procedures set forth in this chapter, adopt an ordinance to impose an additional county option income tax at a rate that may not exceed twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county income tax council makes the finding and determination required under subsection (c).

(c) In order to impose an additional county option income tax rate under this section, the county income tax council must adopt an ordinance finding and determining that revenues from the additional county option income tax are needed to pay the costs of financing, constructing, acquiring, renovating, equipping, and operating one (1) or more of the following facilities:

- (1) A community correction facility.
- (2) A juvenile treatment center.



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- (3) A records keeping facility.
- (4) A county building.
- (5) An animal shelter.
- (6) An emergency services facility.

The costs that may be paid from revenues collected under this section also include costs related to the land, appurtenances, and infrastructure associated with a facility described in this subsection and the costs of repaying bonds issued or leases entered into for the purchasing, financing, constructing, acquiring, renovating, equipping, and operating the facility.

(d) If the county income tax council makes a determination required under subsection (c), the county income tax council may adopt a tax rate under this section. The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs described in subsection (c).

(e) The county treasurer shall establish a county facilities revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section:

- (1) shall be deposited in the county facilities revenue fund before a certified distribution is made under section 17 of this chapter;
- (2) may not be used for the purposes described in section 17.4, 17.5, 17.6, 18, or 18.5 of this chapter; and
- (3) may not be considered by the department of local government finance in determining the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(f) Notwithstanding section 2 of this chapter, an ordinance may be adopted under this section at any time. If the ordinance is adopted before April 1 of a particular calendar year, a tax rate imposed under this section takes effect on July 1 of the calendar year. If the ordinance is adopted after March 31, a tax rate imposed under this section takes effect on January 1 of the ensuing calendar year.

(g) Notwithstanding any other law:

- (1) funds accumulated from the county option income tax rate imposed under this section and deposited in the county facilities revenue fund; or
- (2) any other revenues of the county;

may be deposited in a nonreverting fund of the county to be used for the operating costs of a facility described in subsection (c).



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Amounts in the county nonreverting fund may not be used by the department of local government finance to reduce the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(h) A county described in subsection (a) possesses unique fiscal challenges to finance, construct, acquire, renovate, equip, and operate the facilities described in subsection (c) because the county:

- (1) includes a disproportionate percentage of property that is not subject to property taxation; and
- (2) is experiencing sustained growth requiring additional county services.

SECTION 32. IC 6-3.5-6-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) **Revenue** Except as provided in section 2.5 of this chapter, revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the state budget agency, estimates will be received from that county during the twelve (12) month period beginning July 1 of the immediately preceding calendar year and ending June 30 of the ensuing calendar year.

(b) Before June 16 of each calendar year, the department, after reviewing the recommendation of the state budget agency, shall estimate and certify to the county auditor of each adopting county the amount of county option income tax revenue that will be collected from that county during the twelve (12) month period beginning July 1 of that calendar year and ending June 30 of the immediately succeeding calendar year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified may be adjusted under subsection (c) or (d).

(c) The department may certify to an adopting county an amount that is greater than the estimated twelve (12) month revenue collection if the department, after reviewing the recommendation of the state budget agency, determines that there will be a greater amount of revenue available for distribution from the county's account established under section 16 of this chapter.

(d) The department may certify an amount less than the estimated twelve (12) month revenue collection if the department, after reviewing the recommendation of the state budget agency, determines that a part

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of those collections needs to be distributed during the current calendar year so that the county will receive its full certified distribution for the current calendar year.

(e) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(f) **Except as provided in section 2.5 of this chapter**, upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(g) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of ~~the~~ state ordering the appropriate payments.

SECTION 33. IC 6-3.5-6-17.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17. 2. Before July 2 of each year, the department shall submit a report to each county auditor indicating the following:**

- (1) The balance in the county's special account as of the end of the preceding year.
- (2) The required six (6) month balance or three (3) month balance, if the county has adopted an ordinance under:
 - (A) IC 6-3.5-6-17.4;
 - (B) IC 6-3.5-6-17.5; or
 - (C) IC 6-3.5-6-17.6;

before the end of the preceding year.

SECTION 34. IC 6-3.5-6-17.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17. 3. (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year in excess of the required six (6) or three (3) month balance, the department may make a supplemental distribution to a county from the county's special account.**

(b) A supplemental distribution described in subsection (a) must be:

- (1) made in January of the ensuing calendar year; and
- (2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.



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SECTION 35. IC 6-3.5-6-17.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.4. (a) This section applies only to a county having a population of more than thirty-six thousand seven hundred (36,700) but less than thirty-seven thousand (37,000).

(b) The county income tax council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.

(c) To reduce the balance a county income tax council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance within ninety (90) days after the adoption of this ordinance."

(d) Not more than thirty (30) days after adopting an ordinance under subsection (c), the county income tax council shall deliver a copy of the ordinance to the budget agency.

(e) Not later than:

(1) sixty (60) days after a county income tax council adopts an ordinance under subsection (c); and

(2) December 31; ~~of each year;~~

the budget agency shall make the calculation described in subsection (f). Not later than ninety (90) days after the ordinance is adopted, the budget agency shall make an initial distribution to the county auditor of the amount determined under subsection (f) STEP FOUR. Subsequent distributions needed to distribute any amount in the county income tax special account that exceeds a three (3) month balance, as determined under subsection (f) STEP FOUR, shall be made in January of the ensuing calendar year after the calculation is made.

(f) The budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(g) The county auditor shall distribute an amount received under subsection (e) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount.

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(h) The civil taxing units may use the amounts received under subsection (g) for any item for which the particular civil taxing unit's certified distribution may be used.

SECTION 36. IC 6-3.5-6-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.5. (a) This section does not apply to a county containing a consolidated city.

(b) The county income tax council of any county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county on January 1 of a year.

(c) To reduce the balance a county income tax council must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance."

(d) On or before December 31, ~~of each year~~, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(e) The amount determined in STEP FOUR of subsection (d) shall be distributed to the county auditor in January of the ensuing calendar year.

(f) The county auditor shall distribute the amount received under subsection (e) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount.

(g) The civil taxing units may use the amounts received under subsection (f) as follows:

(1) For the later of 1995 or the first calendar year in which the county adopts an ordinance under subsection (c) and:

(A) for each civil taxing unit that is a county, city, or town, for the purposes authorized under IC 36-9-14.5-2 or IC 36-9-15.5-2 (whichever applies and regardless of whether the civil taxing unit has established a cumulative capital development fund under IC 36-9-14.5 or IC 36-9-15.5); and

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(B) for each civil taxing unit that is a township or a special taxing district, for any item for which the civil taxing unit may issue a general obligation bond.

(2) For each year after the year to which subdivision (1) applies and for all civil taxing units, for any item for which the particular civil taxing unit's certified distribution may be used.

SECTION 37. IC 6-3.5-6-17.6, AS AMENDED BY P.L.283-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

(b) On or before July ~~15~~ **2** of each year, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter as of the end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after

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- 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus
- (ii) the current uninsured parents program property tax levy imposed by the county; divided by
- (2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to:
- (A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus
- (B) after December 31, 2002, the greater of zero (0) or the difference between:
- (i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the ~~state~~ **statewide** average assessed value growth quotient described in IC 12-16-14-3; minus
- (ii) the current uninsured parents program property tax levy imposed by the county.

SECTION 38. IC 6-3.5-6-26 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) A pledge of county option income tax revenues under this chapter is enforceable in accordance with IC 5-1-14.**

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the tax collected under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 39. IC 6-3.5-7-5, AS AMENDED BY P.L.135-2001, SECTION 6, AS AMENDED BY P.L.185-2001, SECTION 3, AND AS AMENDED BY P.L.291-2001, SECTION 179, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:**

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or



- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), ~~and (g), ~~(j)~~~~ and (k), the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), ~~or (j), or (k), (l), (m), (n), or (o)~~, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(g) This subsection applies to ~~a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600): a county having a~~



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population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). In addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

- (A) fifteen-hundredths percent (0.15%);
- (B) two-tenths percent (0.2%); or
- (C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) ~~For a county having a population of more than thirty-seven thousand (37,000) but less than thirty-seven thousand eight hundred (37,800);~~ **a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) ~~For a county having a population of more than twelve thousand six hundred (12,600) but less than thirteen thousand (13,000);~~ **a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) ~~For a county having a population of more than sixty-eight thousand (68,000) but less than seventy-three thousand (73,000);~~ **a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

~~(f) This subsection applies to a county having a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand three hundred (27,300). In addition to the rates permitted under subsection (b):~~

~~(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and~~



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(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(k) This subsection applies to a county having a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand three hundred (27,300); a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). In addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). In addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%);



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(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

SECTION 40. IC 6-3.5-7-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 10.5.** Before July 2 of each year, the department shall submit a report to each county auditor indicating the following:

(1) The balance in the county's special account as of the end of the preceding year.

(2) The required six (6) month balance as of the end of the preceding year.

SECTION 41. IC 6-3.5-7-17.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17.3.** (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year that exceeded the required six (6) month balance as of the end of the preceding year, the department may make a supplemental distribution to a county from the county's special account.

(b) A supplemental distribution described in subsection (a) must be:

- (1) made in January of the ensuing calendar year; and
- (2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.

SECTION 42. IC 6-3.5-7-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 24.** (a) This section applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600).

(b) In addition to the rates permitted by section 5 of this



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chapter, the county council may impose the county economic development income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (c).

(c) In order to impose the county economic development income tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county economic development income tax are needed to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail including the repayment of bonds issued, or leases entered into, for constructing, acquiring, renovating, and equipping a county jail.

(d) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail.

(e) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County economic development income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for the purposes described in this section;
- (2) may not be considered by the state board of tax commissioners in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

SECTION 43. IC 6-9-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. This chapter applies to ~~a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600);~~ a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000).

SECTION 44. IC 6-9-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The county treasurer shall

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establish an innkeeper's tax fund. The treasurer shall deposit in that fund all money received under section 6 of this chapter.

(b) Money in the innkeeper's tax fund shall be expended in the following order:

(1) Through July 1999, not more than the revenue needed to service bonds issued under IC 36-10-3-40 through IC 36-10-3-45 and outstanding on January 1, 1993, may be used to service bonds. The county auditor shall make a semiannual distribution, at the same time property tax revenue is distributed, to a park and recreation district that has issued bonds payable from a county innkeeper's tax. Each semiannual distribution must be equal to one-half (1/2) of the annual principal and interest obligations on the bonds. Money received by a park and recreation district under this subdivision shall be deposited in a special fund to be used to service the bonds. During August 1999 the money that had been set aside to cover bond payments that remains after the bonds have been retired plus sixty percent (60%) of the tax revenue during August 1999 through December 1999 shall be distributed to the county treasurer to be used by the county park board, subject to appropriation by the county fiscal body.

(2) To the commission for its general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter. However, the amount that may be distributed under this subdivision during any particular year may not exceed the proceeds derived from an innkeeper's tax of two percent (2%) through December 1999 and fifty percent (50%) of the tax revenue beginning January 2000 and continuing through December ~~2004~~ **2014**.

(3) For the period beginning ~~January 2000~~ **July 1, 2002**, through December ~~2004~~ **2014**, fifty percent (50%) of the revenue to the county treasurer to be credited by the treasurer to a special account. **The county treasurer shall distribute money in the special account as follows:**

(A) Seventy-five percent (75%) of the money in the special account shall be distributed to the department of natural resources for the development of projects in ~~or near the state park on~~ the county's largest river, including its tributaries. (referred to as a qualified project): Upon the submission of a written claim by the department of natural resources requesting funds for a qualified project and to the extent there is money in the special account, the county council shall appropriate and the county auditor shall issue warrants to pay

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~~the claim.~~

(B) Twenty-five percent (25%) of the money in the special account shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

- (i) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and**
- (ii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);**

for the community development corporation's use in tourism, recreation, and economic development activities. For the period beginning July 1, 2002, and continuing through December 2006, the community development corporation shall provide not less than forty percent (40%) of the money received from the special account under this clause as a grant to a nonprofit corporation that leases land in the state park described in this subdivision for the nonprofit corporation's use in noncapital projects in the state park.

Money in the special account may not be used for any other purpose. The money credited to the account that has not been used for ~~qualified projects as specified in this subdivision~~ by January 1, ~~2005~~, **2015**, shall be transferred to the commission to be used to make grants as provided in subsection (c)(2).

(c) Money in the innkeeper's tax fund subject to appropriation by the county council shall be allocated and distributed after December 2004 2014 as follows:

- (1) Fifty percent (50%) of the revenue to the commission for the commission's general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter.**
- (2) The remainder to the commission to be used solely to make grants for the development of recreation and tourism projects. The commission shall establish and make public the criteria that will be used in analyzing and awarding grants. At least ten percent (10%) but not more than fifteen percent (15%) of the grants may be awarded for noncapital projects. Grants may be made only to the following entities upon application by the executive of the entity:**
 - (A) The county for deposit in a special account.**
 - (B) The most populated city in the county for deposit in a**



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special account.

(C) The second most populated city in the county for deposit in a special account.

(D) The Tippecanoe County Wabash River parkway commission, but only so long as the interlocal agreement among the political subdivisions listed in clauses (A) through (C) is in effect. Money received by the parkway commission shall be segregated in a special account.

(d) Money credited to special accounts under subsection (c)(2) shall be used only for recreation or tourism projects, or both."

Page 18, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 30. IC 33-3-5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The tax court shall establish a small claims docket for processing:

- (1) claims for refunds from the department of state revenue that do not exceed five thousand dollars (\$5,000) for any year; and
- (2) appeals of final determinations of assessed value made by the ~~state board of tax commissioners~~ **Indiana board of tax review** that do not exceed forty-five thousand dollars (\$45,000).

(b) The tax court shall adopt rules and procedures under which cases on the small claims docket are heard and decided.

SECTION 45. IC 33-3-5-14.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001 (RETROACTIVE)]: **Sec. 14.1. (a) The burden of demonstrating the invalidity of an action taken by the state board of tax commissioners is on the party to the judicial review proceeding asserting the invalidity.**

(b) The validity of an action taken by the state board of tax commissioners shall be determined in accordance with the standards of review provided in this section as applied to the agency action at the time it was taken.

(c) The tax court shall make findings of fact on each material issue on which the court's decision is based.

(d) The tax court shall grant relief under section 15 of this chapter only if the tax court determines that a person seeking judicial relief has been prejudiced by an action of the state board of tax commissioners that is:

- (1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;**
- (2) contrary to constitutional right, power, privilege, or immunity;**
- (3) in excess of or short of statutory jurisdiction, authority, or**



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limitations;

(4) without observance of procedure required by law; or

(5) unsupported by substantial or reliable evidence.

(e) Subsection (d) may not be construed to change the substantive precedential law embodied in judicial decisions that are final as of January 1, 2002.

SECTION 46. IC 33-3-5-14.2, AS ADDED BY P.L.198-2001, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.2. (a) The office of the attorney general shall represent a township assessor, **an executive (as defined in IC 36-1-2-5) of a township who performs the duties of a township assessor under IC 36-6-5-2, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals that:**

(1) made an original determination that is the subject of a judicial proceeding in the tax court; and

(2) is a defendant in a judicial proceeding in the tax court.

(b) Notwithstanding representation by the office of the attorney general, the duty of discovery is on the parties to the judicial proceeding.

(c) Discovery conducted under subsection (b) shall be limited to production of documents from the administrative law judge presiding over the review under IC 6-1.1-15-3. The administrative law judge shall not be summoned to testify before the tax court unless verified proof is offered to the tax court that the impartiality of the administrative law judge was compromised concerning the review.

(d) A township assessor, **an executive (as defined in IC 36-1-2-5) of a township who performs the duties of a township assessor under IC 36-6-5-2, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals:**

(1) may seek relief from the tax court to establish that the Indiana board of tax review rendered a decision that was:

(1) (A) an abuse of discretion;

(2) (B) arbitrary and capricious;

(3) (C) contrary to substantial or reliable evidence; or

(4) (D) contrary to law; and

(2) may not be represented by the office of the attorney general in an action initiated under subdivision (1).

SECTION 47. IC 34-6-2-38, AS AMENDED BY P.L.250-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 38. (a) "Employee" and "public employee",

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for purposes of section 91 of this chapter, IC 34-13-2, IC 34-13-3, IC 34-13-4, and IC 34-30-14, mean a person presently or formerly acting on behalf of a governmental entity, whether temporarily or permanently or with or without compensation, including members of boards, committees, commissions, authorities, and other instrumentalities of governmental entities, volunteer firefighters (as defined in IC 36-8-12-2), and elected public officials.

(b) The term also includes attorneys at law whether employed by the governmental entity as employees or independent contractors and physicians licensed under IC 25-22.5 and optometrists who provide medical or optical care to confined offenders (as defined in IC 11-8-1) within the course of their employment by or contractual relationship with the department of correction. However, the term does not include:

- (1) an independent contractor (other than an attorney at law, a physician, or an optometrist described in this section);
- (2) an agent or employee of an independent contractor;
- (3) a person appointed by the governor to an honorary advisory or honorary military position; or
- (4) a physician licensed under IC 25-22.5 with regard to a claim against the physician for an act or omission occurring or allegedly occurring in the physician's capacity as an employee of a hospital.

(c) A physician licensed under IC 25-22.5 who is an employee of a governmental entity (as defined in IC 34-6-2-49) shall be considered a public employee for purposes of IC 34-13-3-3(21).

(d) For purposes of IC 34-13-3 and IC 34-13-4, the term includes a person that engages in an act or omission before July 1, 2004, in the person's capacity as:

- (1) a contractor under IC 6-1.1-4-32;**
- (2) an employee acting within the scope of the employee's duties for a contractor under IC 6-1.1-4-32;**
- (3) a subcontractor of the contractor under IC 6-1.1-4-32 that is acting within the scope of the subcontractor's duties; or**
- (4) an employee of a subcontractor described in subdivision (3) that is acting within the scope of the employee's duties.**

SECTION 48. IC 36-2-5-3, AS AMENDED BY P.L.198-2001, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 3. (a) The county fiscal body shall fix the compensation of officers, deputies, and other employees whose compensation is payable from the county general fund, county highway fund, county health fund, county park and recreation fund, aviation fund, or any other fund from which the county auditor issues warrants for compensation. This includes the



power to:

- (1) fix the number of officers, deputies, and other employees;
- (2) describe and classify positions and services;
- (3) adopt schedules of compensation; and
- (4) hire or contract with persons to assist in the development of schedules of compensation.

(b) The county fiscal body shall ~~fix the annual compensation of~~ **provide for** a county assessor who has attained a level two certification under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ one thousand dollars (\$1,000), ~~more than which is in addition to and not part of the annual compensation of an the assessor. who has not attained a level two certification.~~ The county fiscal body shall ~~fix the annual compensation of~~ **provide for** a county or township deputy assessor who has attained a level two certification under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ five hundred dollars (\$500), ~~more than which is in addition to and not part of the annual compensation of a the county or township deputy assessor. who has not attained a level two certification.~~

(c) Notwithstanding subsection (a), the board of each local health department shall prescribe the duties of all its officers and employees, recommend the number of positions, describe and classify positions and services, adopt schedules of compensation, and hire and contract with persons to assist in the development of schedules of compensation.

(d) This section does not apply to community corrections programs (as defined in IC 11-12-1-1 and IC 35-38-2.6-2).

SECTION 49. IC 36-2-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The compensation of an elected county officer may not be changed in the year for which it is fixed. The compensation of other county officers, deputies, and employees or the number of each may be changed at any time on:

- (1) the application of the **county fiscal body or the** affected officer, department, commission or agency; and
- (2) a ~~two-thirds (2/3)~~ **majority** vote of the county fiscal body.

SECTION 50. IC 36-2-9-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. The county auditor shall:**

- (1) **maintain an electronic data file of the information contained on the tax duplicate for all:**
 - (A) **parcels; and**
 - (B) **personal property returns;**



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- for each township in the county as of each assessment date;
- (2) maintain the file in the form required by:
- (A) the legislative services agency; and
 - (B) the department of local government finance; and
- (3) transmit the data in the file with respect to the assessment date of each year before October 1 of the year to:
- (A) the legislative services agency; and
 - (B) the department of local government finance."

Page 18, between lines 10 and 11, begin a new paragraph and insert:
 "SECTION 14. IC 36-7-31.3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. **Except as provided in section 8(b) of this chapter**, this chapter applies only to a city or a county without a consolidated city that has a professional sports franchise playing the majority of its home games in a facility owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11.

SECTION 51. IC 36-7-31.3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. As used in this chapter, "covered taxes" means **the part of the following taxes attributable to the operation of a facility designated as part of a tax area under section 8 of this chapter**:

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
- (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
- (3) A county option income tax imposed under IC 6-3.5.
- (4) **Except in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000)**, a food and beverage tax imposed under IC 6-9.

SECTION 52. IC 36-7-31.3-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5.5. As used in this chapter, "designating body" means a:

- (1) city legislative body; or
- (2) county legislative body;

that may establish a tax area under this chapter.

SECTION 53. IC 36-7-31.3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) A ~~city or county~~ legislative **designating** body may ~~establish~~ **designate** as part of a professional sports and convention development area any facility that is:

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(1) owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used by a professional sports franchise **for practice or competitive sporting events**; or

(2) owned by the city, the county, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used **as one (1) of the following**:

(A) **A facility used principally for convention or tourism related events serving national or regional markets.**

(B) **An airport.**

(C) **A museum.**

(D) **A zoo.**

(E) **A facility used for public attractions of national significance.**

(F) **A performing arts venue.**

(G) **A county courthouse registered on the National Register of Historic Places.**

A facility may not include a private golf course or related improvements. The tax area may include only facilities described in this section and any parcel of land on which ~~the~~ a facility is located. An area may contain noncontiguous tracts of land within the city, ~~or~~ county, **or school corporation.**

(b) **Except for a tax area that is located in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a tax area must include at least one (1) facility described in subsection (a)(1).**

(c) **A tax area may contain other facilities not owned by the designating body if:**

(1) **the facility is owned by a city, the county, a school corporation, or a board established under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11; and**

(2) **an agreement exists between the designating body and the owner of the facility specifying the distribution and uses of the covered taxes to be allocated under this chapter.**

SECTION 54. IC 36-7-31.3-9, AS AMENDED BY P.L.174-2001, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) A tax area must be initially established by resolution:

(1) **except as provided in subdivision (2), before July 1, 1999; or**

(2) **in the case of a second class city, before July 1, ~~2002~~ 2003;** according to the procedures set forth for the establishment of an economic development area under IC 36-7-14. A tax area may be

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changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area. **Only one (1) tax area may be created in each county.**

(b) In establishing the tax area, the ~~city or county legislative~~ **designating** body must make the following findings instead of the findings required for the establishment of economic development areas:

(1) **Except for a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used**

~~(A) by a professional sports franchise for practice or~~

~~(B) for convention or tourism related events;~~ **competitive sporting events.**

A tax area to which this subdivision applies may also include a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.

(2) **For a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a) of this chapter.**

(3) The capital improvement that will be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

~~(3)~~ (4) The capital improvement that will be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(c) The tax area established under this chapter is a special taxing district authorized by the general assembly to enable the designating body to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 55. IC 36-7-31.3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the ~~city or county legislative~~ **designating** body shall submit the resolution to the budget committee for review and recommendation to the budget agency.

SECTION 56. IC 36-7-31.3-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. When the ~~city or~~



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~~county legislative designating~~ body adopts an allocation provision, the county auditor shall notify the department by certified mail of the adoption of the provision and shall include with the notification a complete list of the following:

- (1) Employers in the tax area.
- (2) Street names and the range of street numbers of each street in the tax area.

The county auditor shall update the list before July 1 of each year.

SECTION 57. IC 36-7-31.3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. The department shall notify the county auditor of the amount of taxes to be distributed to the county treasurer. **For tax areas described in section 8(c) of this chapter, the department shall notify the county auditor of the amount of taxes to be distributed to each party to the agreement. The notice must specify the distribution and uses of covered taxes to be allocated under this chapter.**

SECTION 58. IC 36-7-31.3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. The resolution establishing the tax area must designate the use of the funds. The funds are to be used only for **the following:**

- (1) **Except in a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a capital improvement that will construct or equip a facility**

~~(A) owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise or~~

(B) for practice or competitive sporting events. In a tax area to which this subdivision applies, funds may also be used for a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for convention and tourism related events; or any purpose specified in section 8(a)(2) of this chapter.

- (2) **In a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a capital improvement that will construct or equip a facility owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a) of this chapter.**

- (3) The financing or refinancing of a capital improvement



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described in subdivision (1) **or (2)** or the payment of lease payments for a capital improvement described in subdivision (1) **or (2)**.

SECTION 59. IC 36-7-31.3-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 20. The ~~city or county~~ **legislative designating** body shall repay to the professional sports development area fund any amount that is distributed to the ~~city or county~~ **legislative designating** body and used for:

- (1) a purpose that is not described in this chapter; or
- (2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 10 of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter."

Page 19, between lines 28 and 29, begin a new paragraph and insert: "SECTION 39. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 6-1.1-4-13.6; IC 6-1.1-4-13.8; IC 6-1.1-33; IC 6-1.1-38.

SECTION 60. P.L.198-2001, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001 (RETROACTIVE)]: SECTION 117. (a) IC 6-1.1-15-3 and IC 6-1.1-15-4, both as amended by ~~this act~~, **P.L.198-2001**, apply to petitions for review filed under IC 6-1.1-15-3, as amended by ~~this act~~, **P.L.198-2001**, with respect to notices of action of the county property tax assessment board of appeals issued after December 31, 2001.

(b) IC 6-1.1-15-5 and IC 6-1.1-15-6, both as amended by ~~this act~~, **P.L.198-2001**, apply to petitions for judicial review of final determinations issued under IC 6-1.1-15-4, as amended by ~~this act~~, **P.L.198-2001**, after December 31, 2001.

(c) Petitions for review filed under IC 6-1.1-15-3 with respect to notices of action of the county property tax assessment board of appeals issued before January 1, 2002, that are pending before the state board of tax commissioners on December 31, 2001:

- (1) are transferred to the Indiana board of tax review; and
- (2) are subject to the law in effect before amendments under ~~this act~~, **P.L.198-2001**.

The state board of tax commissioners shall transfer to the Indiana board of tax review by January 1, 2002, the records relating to each petition for review referred to in this subsection.



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(d) **Except as provided in subsection (e), appeals initiated under IC 6-1.1-15-5 of final determinations of the state board of tax commissioners issued before January 1, 2002, are subject to the law in effect before amendments under this act: P.L.198-2001.**

(e) **Appeals initiated under IC 6-1.1-15-5 of final determinations of the state board of tax commissioners issued after June 30, 2001, and before January 1, 2002, are subject to IC 33-3-5-14.7, as added by P.L.198-2001.**

(f) **IC 33-3-5-14, as amended by this act, P.L.198-2001, and IC 33-3-5-14.2, IC 33-3-5-14.5, and IC 33-3-5-14.8, all as added by this act, P.L.198-2001, apply to appeals initiated under IC 6-1.1-15-5, as amended by this act, P.L.198-2001, of final determinations of the Indiana board of tax review issued after December 31, 2001.**

(f) (g) **The following, each as amended by this act, P.L.198-2001, apply to refunds on refund claims filed after December 31, 2001:**

- IC 6-1.1-26-2
- IC 6-1.1-26-3
- IC 6-1.1-26-4
- IC 6-1.1-26-5.

SECTION 61. [EFFECTIVE UPON PASSAGE] The appointment by the governor of the commissioner of the department of local government finance before the effective date of this act is legalized and validated as if the appointment had been made on or after the effective date of this act."

Page 20, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 34. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-2.8, as added by this act, may adopt an ordinance to increase the county's adjusted gross income tax rate after March 31, 2002, and before September 20, 2002.

(b) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under subsection (a) takes effect January 1, 2003.

(c) This SECTION expires January 2, 2003.

SECTION 62. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of state revenue.

(b) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-2.9, as added by this act, may adopt an ordinance to increase the county's county adjusted gross income tax rate after March 31, 2002, and before September 20, 2002.

(c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under

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this SECTION before June 1, 2002, takes effect July 1, 2002. In determining the certified distribution for the calendar year beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be performed before July 2, 2002, for a county adopting an ordinance within the time specified in this subsection, the department shall take into account the certified ordinance forwarded to the department under IC 6-3.5-1.1-3(c) in determining the amount of the county's certified distribution for the calendar year beginning January 1, 2003.

(d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under this SECTION after May 31, 2002, takes effect January 1, 2003. Not later than thirty (30) days after receiving the certified ordinance under IC 6-3.5-1.1-3(c) from a county adopting an ordinance within the time specified in this subsection, the department shall revise the county's certified distribution determined under IC 6-3.5-1.1-9 for the calendar year beginning January 1, 2003, to take into account the increased county adjusted gross income tax rate specified in the certified ordinance. Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first distribution reflecting the increased county adjusted gross income tax rate shall be made to the county treasurer beginning November 1, 2003.

(e) This SECTION expires January 1, 2004.

SECTION 63. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of state revenue.

(b) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-3.6, as added by this act, may adopt an ordinance to increase the county's county adjusted gross income tax rate after March 31, 2002, and before September 20, 2002.

(c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under this SECTION before June 1, 2002, takes effect July 1, 2002. In determining the certified distribution for the calendar year beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be performed before July 2, 2002, for a county adopting an ordinance within the time specified in this subsection, the department shall take into account the certified ordinance forwarded to the department under IC 6-3.5-1.1-3(c) in determining the amount of the county's certified distribution for the calendar year beginning January 1, 2003.

(d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under



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this SECTION after May 31, 2002, takes effect January 1, 2003. Not later than thirty (30) days after receiving the certified ordinance under IC 6-3.5-1.1-3(c) from a county adopting an ordinance within the time specified in this subsection, the department shall revise the county's certified distribution determined under IC 6-3.5-1.1-9 for the calendar year beginning January 1, 2003, to take into account the increased county adjusted gross income tax rate specified in the certified ordinance. Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first distribution reflecting the increased county adjusted gross income tax rate shall be made to the county treasurer beginning November 1, 2003.

(e) This SECTION expires January 1, 2004.

SECTION 64. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-10-21, as amended by this act, applies only to property taxes first due and payable after December 31, 2002.

(b) This SECTION expires January 1, 2004."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1196 as introduced, and as amended by the consent of the House Ways and Means Committee on January 29, 2002.)

BAUER, Chair

Committee Vote: yeas 19, nays 3.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1196 be amended to read as follows:

Page 62, between lines 25 and 26, begin a new paragraph and insert:
 "SECTION 54. IC 6-9-2.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. This chapter applies to a county having a population of more than one hundred ~~sixty~~ **seventy** thousand ~~(160,000)~~ **(170,000)** but less than ~~two one~~ hundred **eighty** thousand ~~(200,000)~~ **(180,000)**.

SECTION 55. IC 6-9-2.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) The county council may levy tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any commercial hotel, motel, inn, tourist camp, or tourist cabin located in a county described in section 1 of this chapter. Such tax shall not exceed the rate of ~~five~~ **six** percent ~~(5%)~~ **(6%)** on the gross income derived from lodging income only and shall be in addition to the state gross retail tax imposed on such persons by IC 6-2.5.

(b) The county fiscal body may adopt an ordinance to require that the tax be reported on forms approved by the county treasurer and that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected pursuant to IC 6-2.5.

(c) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration shall be applicable to the imposition and administration of the tax imposed by this section except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. Specifically and not in limitation of the foregoing sentence, the terms "person" and "gross income" shall have the same meaning in this section as they have in IC 6-2.5. If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule or regulation, determine.

(d) If the tax is paid to the department of state revenue, the amounts received from such tax shall be paid quarterly by the treasurer of state

EH 1196—LS 7253/DI 52+



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to the county treasurer upon warrants issued by the auditor of state.

(e) The tax imposed under subsection (a) does not apply to the renting or furnishing of rooms, lodgings, or accommodations to a person for a period of thirty (30) days or more.

SECTION 56. IC 6-9-2.5-7, AS AMENDED BY P.L.208-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) The county treasurer shall establish a convention and visitor promotion fund.

(b) The county treasurer shall deposit the following in the convention and visitor promotion fund:

(1) Before January 1, 2000:

(A) All of the money received under section 6 of this chapter, if the rate set under section 6 of this chapter is not greater than two percent (2%).

(B) The amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate, if the rate set under section 6 of this chapter is at least two percent (2%).

(2) After December 31, 1999, **and before January 1, 2003**, the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate.

(3) After December 31, 2002, the amount of money received under section 6 of this chapter that is generated by a two and one-half percent (2.5%) rate.

(c) Money in this fund shall be expended only as provided in this chapter.

(d) The commission may transfer money in the convention and visitor promotion fund to any Indiana nonprofit corporation for the purpose of promotion and encouragement in the county of conventions, trade shows, visitors, or special events. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 57. IC 6-9-2.5-7.5, AS AMENDED BY P.L.208-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.

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(2) After December 31, 1999, and before January 1, ~~2006~~, **2003**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.

(3) **After December 31, 2002, and before January 1, 2006, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one and one-half percent (1.5%) rate.**

(4) After December 31, 2005, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a three ~~and one-half~~ percent (~~3%~~) **(3.5%)** rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section."

Renumber all SECTIONS consecutively.

(Reference is to HB 1196 as printed January 31, 2002.)

HASLER

HOUSE MOTION

Mr. Speaker: I move that House Bill 1196 be amended to read as follows:

Page 74, line 37, delete "A" and insert **"Except as provided in subsection (d), a"**.

Page 75, line 22, after "of" insert ":

(1)".

Page 75, line 23, delete "," and insert **"; or**

(2) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);".

EH 1196—LS 7253/DI 52+



Page 75, line 23, beginning with "a" begin a new line blocked left.

Page 75, line 25, delete "A" and insert **"Except as provided in subsection (d), a"**.

Page 75, between lines 32 and 33, begin a new paragraph and insert:

"(d) In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), the designating body may designate only one (1) facility as part of a tax area. The facility designated as part of the tax area may not be a facility described in subsection (a)(1)."

Page 76, line 5, after "of" insert ":

(A)".

Page 76, line 7, delete "," and insert "; or

(B) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);"

Page 76, line 7, beginning with "there" begin a new line block indented.

Page 76, between lines 22 and 23, begin a new line block indented and insert:

"(3) For a tax area in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter."

Page 76, line 23, delete "(3)" and insert "(4)".

Page 76, line 26, delete "(4)" and insert "(5)".

Page 77, line 19, after "of" insert ":

(A)".

Page 77, line 21, delete "," and insert "; or

(B) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);"

Page 77, line 21, beginning with "a" begin a new line block indented.

Page 77, between lines 39 and 40, begin a new line block indented and insert:

"(3) In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a)(2) of this chapter."

Page 77, line 40, delete "(3)" and insert "(4)".

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Page 77, line 41, after "(1)" insert ",".

Page 77, line 41, delete "or (2)" and insert "**(2), or (3)**".

Page 77, line 42, after "(1)" insert ",".

Page 78, line 1, delete "or (2)" and insert "**(2), or (3)**".

(Reference is to HB 1196 as printed January 31, 2002.)

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SENATE MOTION

Mr. President: I move that Senator Hume be added as cosponsor of Engrossed House Bill 1196.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1196, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 2. IC 4-33-12-6, AS AMENDED BY P.L.215-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by ~~subsection~~ **subsections (c) and (d)** and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is ~~described in IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b);~~ **located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000);** or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

EH 1196—LS 7253/DI 52+



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(5) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter. This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-15 shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(5) The division of mental health and addiction shall receive ten

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cents (\$0.10) of the admissions tax collected for each person embarking on the riverboat during the quarter. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the city in which the riverboat is docked.

(2) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county in which the riverboat is docked.

(3) Eight cents (\$0.08) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Two cents (\$0.02) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the northwest Indiana law enforcement training center.

(5) Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the Indiana horse racing

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commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

~~(d)~~ (e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), ~~or~~ subsection (c)(1), **or subsection (d)(1) through (d)(2):**

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5, but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

~~(e)~~ (f) Money paid by the treasurer of state under ~~subsection~~ **subsections (b)(3) or (d)(3)** shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

~~(f)~~ (g) Money received by the division of mental health and addiction under subsections (b)(5), ~~and~~ (c)(5), **and (d)(6):**

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and



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(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.273-1999, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) Twenty-five percent (25%) of the tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000);

(B) in equal shares to the counties described in IC 4-33-1-1(3), in the case of a riverboat whose home dock is on Patoka Lake; or

(C) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A) or a county described in clause (B); and

(2) Seventy-five percent (75%) of the tax revenue remitted by each licensed owner shall be paid to the build Indiana fund lottery and gaming surplus account."

Page 2, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-3-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 8.5. (a) For purposes of this section, "construction in process" means tangible personal property not placed in service, as defined in rules of the department of local government finance for the assessment of personal property of a taxpayer other than a public utility company (as defined in IC 6-1.1-8-2).**



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(b) The assessed value of construction in process is ten percent (10%) of the cost recorded on the taxpayer's books and records that is attributable to the personal property, including all expenses incurred in acquiring or producing the personal property."

Page 4, between lines 38 and 39, begin a new paragraph and insert:
 "SECTION 6. IC 6-1.1-4-28.5, AS ADDED BY P.L.198-2001, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books; and
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with an elected township assessor under IC 36-6-5-1 in every township, the county assessor does not review an appropriation under this section, and ~~only~~ the fiscal body must approve an appropriation under this section **after review and majority recommendation of the township assessors in the county.**"

Page 14, line 14, delete "township assessor" and insert "**county auditor**".

Page 14, line 16, delete "only if the county auditor and" and insert "**unless**".



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Page 14, line 17, delete "agree to transfer" and insert "**determines to assume**".

Page 14, line 17, delete "auditor to the" and insert "**auditor.**".

Page 14, delete line 18.

Page 14, between lines 38 and 39, begin a new paragraph and insert:
"SECTION 10. IC 6-1.1-5.5-4.5, AS ADDED BY P.L.198-2001, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) The fiscal body of each county shall establish a sales disclosure fund. The county auditor shall deposit into the fund the money received under section 4 of this chapter. Money in the sales disclosure fund may be expended only for:

- (1) administration of this chapter;
- (2) verification of the information contained on a sales disclosure form;
- (3) training of assessing officials; or
- (4) purchasing computer software or hardware for a property record system.

(b) **Except as provided in subsection (c)**, the county fiscal body shall appropriate the money in the sales disclosure fund for the purposes stated in subsection (a) based on requests by assessing officials in the county.

(c) **In a county containing a consolidated city, the county fiscal body shall appropriate the money in the sales disclosure fund for the purposes stated in subsection (a) based on a majority recommendation of the township assessors in the county.**"

Page 15, line 28, delete "county assessor" and insert "**township assessor in a county containing a consolidated city, or the county assessor in any other county,**".

Page 15, line 30, after "conveyance;" insert "**and**".

Page 15, line 33, delete "assessment;" and insert "**assessment.**".

Page 15, between lines 33 and 34, begin a new paragraph and insert:
"**(d) The county auditor shall:**".

Page 15, line 34, delete "(4)" and insert "**(1)**".

Page 15, line 34, delete "penalty;" and insert "**penalty imposed under this section;**".

Page 15, line 35, delete "(5)" and insert "**(2)**".

Page 15, line 37, delete "(6)" and insert "**(3)**".

Page 15, line 39, delete "(d)" and insert "**(e)**".

Page 15, after line 42, begin a new paragraph and insert:

"SECTION 12. IC 6-1.1-8-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 4.5. (a)**

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For purposes of this section, "construction in process" means tangible personal property not placed in service, as defined in rules of the department of local government finance for the assessment of personal property of a public utility company.

(b) The assessed value of construction in process is ten percent (10%) of the cost recorded on the public utility company's books and records that is attributable to the personal property, including all expenses incurred in acquiring or producing the personal property."

Page 17, between lines 33 and 34, begin a new paragraph and insert:
 "SECTION 14. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.4-2000, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment or new research and development equipment, or both, for which the person desires to claim a deduction under this chapter. The state board of tax commissioners shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

- (1) A description of the new manufacturing equipment or new research and development equipment, or both, that the person proposes to acquire.
- (2) With respect to:
 - (A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and
 - (B) new research and development equipment;
 an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment or new research and development equipment, or both, and an estimate of the annual salaries of these individuals.
- (3) An estimate of the cost of the new manufacturing equipment or new research and development equipment, or both.
- (4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an

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estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

With the approval of the state board of tax commissioners, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment or new research and development equipment, or both, is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment or new research and development equipment, or both.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(6) Whether the totality of benefits is sufficient to justify the

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deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) ~~Except as provided in subsection (f), an owner of new manufacturing equipment whose statement of benefits is approved before May 1, 1991, is entitled to a deduction from the assessed value of that equipment for a period of five (5) years.~~ Except as provided in subsections (f) and (i), **subsection (h)**, an owner of new manufacturing equipment or new research and development equipment, or both, whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection ~~(h)~~: **(g)**. Except as provided in ~~subsections~~ **subsection (f), and (g)**, and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

- (1) the assessed value of the new manufacturing equipment or new research and development equipment, or both, in the year ~~that the equipment is installed;~~ **of deduction under the table set forth in subsection (e)**; multiplied by
- (2) the percentage prescribed in the table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

- (1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

- (2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

- (3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

- (4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%



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2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%
6th and thereafter	0%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	25%
7th and thereafter	0%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%
8th and thereafter	0%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%
9th and thereafter	0%



(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%
10th and thereafter	0%

(10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%
5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) **With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:**

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment or new research and development equipment; or both, to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in



which the equipment is located (excluding personal property that is assessed as construction in process) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process) in the immediately preceding year.

(g) If a deduction is not fully allowed under subsection (f) in the first year the deduction is claimed, then the percentages specified in subsection (d) or (e) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(h) (g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the state board of tax commissioners. A certified copy of the resolution shall be sent to the county auditor and the state board of tax commissioners.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(i) (h) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

- (1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or
- (2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm."

Page 17, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 16. IC 6-1.1-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **This section does not apply to a county that contains a consolidated city. A**



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county assessor shall reduce or increase the assessed value of any tangible property in order to attain a just and equal basis of assessment between the taxpayers of the county.

SECTION 17. IC 6-1.1-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. **This section does not apply to a county that contains a consolidated city.** A county assessor shall inquire into the assessment of the classes of tangible property in the various townships of the county before July 1 in the year in which the general reassessment is to commence. The county assessor shall make any changes, whether increases or decreases, in the assessed values which are necessary in order to equalize these values in and between the various townships of the county. In addition, the county assessor shall determine the percent to be added to or deducted from the assessed values in order to make a just, equitable, and uniform equalization of assessments in and between the townships of the county."

Page 19, line 17, delete "If".

Page 19, delete lines 18 through 22.

Page 19, line 23, delete "assessment that would result from that agreement."

Page 19, line 29, delete "If the" and insert "The".

Page 19, line 30, delete "disagrees with the assessment, the township".

Page 19, line 31, delete "assessor or county assessor".

Page 19, line 32, reset in roman "these".

Page 19, line 32, after "these" delete "the".

Page 19, line 32, delete "of disagreement".

Page 23, line 26, after "assessor" delete "." and insert "**or elected township assessor.**".

Page 23, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-15-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. **Notwithstanding any provision in the 2002 Real Property Assessment Manual and Real Property Assessment Guidelines for 2002-Version A, incorporated by reference in 50 IAC 2.3-1-2, a county property tax assessment board of appeals or the Indiana board shall consider all evidence relevant to the assessment of real property regardless of whether the evidence was submitted to the township assessor before the assessment of the property.**".

Page 26, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 23. IC 6-1.1-18-9 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. Notwithstanding the other provisions of this chapter, the proper officer or officers of a political subdivision may:

~~(1) make an appropriation with respect to a contract for the discovery of omitted property if the contract provides the payment for the services performed is to be made from taxes or penalties collected on the discovered property;~~

~~(2) (1) reappropriate money recovered from erroneous or excessive disbursements if the error and recovery are made within the current budget year; or~~

~~(3) (2) refund, without appropriation, money erroneously received."~~
Page 39, between lines 18 and 19, begin a new paragraph and insert:

"(f) Notwithstanding any other provision of law:

(1) a person who:

(A) is an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12; and

(B) obtains confidential information under this section; may not disclose that confidential information to any other person; and

(2) a person referred to in subdivision (1) must return all confidential information to the taxpayer not later than fourteen (14) days after the earlier of:

(A) the completion of the examination of the taxpayer's personal property return under IC 6-1.1-36-12; or

(B) the termination of the contract.

SECTION 35. IC 6-1.1-35-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. **(a)** An assessing official, member of a county property tax assessment board of appeals, a state board member, or an employee of any assessing official, county assessor, or board shall immediately be dismissed from that position if ~~he the person~~ discloses in an unauthorized manner any information ~~which that~~ is classified as confidential under section 9 of this chapter.

(b) If an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12 discloses in an unauthorized manner any information that is classified as confidential under section 9 of this chapter:

(1) the contract between the entity and the board is void as of the date of the disclosure;

(2) the entity forfeits all right to payments owed under the contract after the date of disclosure;

(3) the entity and its affiliates are barred for three (3) years



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after the date of disclosure from entering into a contract with a board under IC 6-1.1-36-12; and

(4) the taxpayer whose information was disclosed has a right of action for triple damages against the entity."

Page 39, line 21, after "commissioners" insert ",".

Page 39, line 21, after "enters" insert **"county assessor, or elected township assessor"**.

Page 39, line 35, delete "commissioners" and insert **"commissioners, county assessor, or elected township assessor"**.

Page 39, between lines 36 and 37, begin a new paragraph and insert:
"SECTION 37. IC 6-1.5-5-1, AS ADDED BY P.L.198-2001, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The Indiana board shall conduct impartial review of all appeals of final determinations of the department of local government finance made under the following:

- (1) IC 6-1.1-8.
- (2) IC 6-1.1-12.1.
- (3) IC 6-1.1-14.
- (4) IC 6-1.1-16.
- (5) IC 6-1.1-26-2.

(b) Each notice of final determination issued by the department of local government finance under a statute listed in subsection (a) must give the taxpayer notice of:

- (1) the opportunity for review under this section; and
- (2) the procedures the taxpayer must follow in order to obtain review under this section.

(c) **Except as provided in subsections (e) and (f),** in order to obtain a review by the Indiana board under this section, the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the department of local government finance's action is given to the taxpayer.

(d) The county assessor shall transmit ~~the~~ a petition for review **under subsection (c)** to the Indiana board within ten (10) days after it is filed.

(e) **In order to obtain a review by the Indiana board of an appeal of a final determination of the department of local government finance under IC 6-1.1-8-30, the public utility company must follow the procedures in IC 6-1.1-8-30.**

(f) **In order to obtain a review by the Indiana board of an appeal of a final determination of the department of local government finance under IC 6-1.1-12.1-5.7(h), the person must follow the procedures in IC 6-1.1-12.1-5.7(h)."**



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Page 39, between lines 36 and 37, begin a new paragraph and insert:
 "SECTION 33. IC 6-3.1-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "credit amount" means the amount agreed to between the board and applicant under this chapter, but not to exceed, **in the case of a credit awarded for a project to create new jobs in Indiana**, the incremental income tax withholdings attributable to the applicant's project.

SECTION 34. IC 6-3.1-13-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The board may make credit awards under this chapter to foster job creation in Indiana **or, as provided in section 15.5 of this chapter, job retention in Indiana.**

(b) The credit shall be claimed for the taxable years specified in the taxpayer's tax credit agreement.

SECTION 35. IC 6-3.1-13-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A person that proposes a project to create new jobs in Indiana may apply, **as provided in section 15 of this chapter**, to the board to enter into an agreement for a tax credit under this chapter. **A person that proposes to retain existing jobs in Indiana may apply, as provided in section 15.5 of this chapter, to the board to enter into an agreement for a tax credit under this chapter.** The director shall prescribe the form of the application.

SECTION 36. IC 6-3.1-13-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. **This section applies to an application proposing a project to create new jobs in Indiana.** After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all of the following conditions exist:

- (1) The applicant's project will create new jobs that were not jobs previously performed by employees of the applicant in Indiana.
- (2) The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment **in Indiana** and strengthening the economy of Indiana.
- (3) There is at least one (1) other state that the applicant verifies is being considered for the project.
- (4) A significant disparity is identified; using best available data; in the projected costs for the applicant's project compared to the costs in the competing state; including the impact of the competing state's incentive programs. The competing state's incentive programs shall include state; local; private; and federal

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funds available:

~~(5)~~ (3) The political subdivisions affected by the project have committed significant local incentives with respect to the project.

~~(6)~~ (4) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not creating new jobs in Indiana.

~~(7)~~ (5) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

~~(8)~~ (6) The credit is not prohibited by section 16 of this chapter.

SECTION 37. IC 6-3.1-13-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. This section applies to an application proposing to retain existing jobs in Indiana. After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all the following conditions exist:**

(1) The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.

(2) The applicant provides evidence that there is at least one (1) other competing site outside Indiana that is being considered for the project or for the relocation of jobs.

(3) A disparity is identified, using the best available data, in the projected costs for the applicant's project in Indiana compared with the costs for the project in the competing site.

(4) The applicant is engaged in research and development, manufacturing, or business services (as defined in the Standard Industrial Classification Manual of the United States Office of Management and Budget).

(5) The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year is at least equal to the average compensation paid during that same period to all employees in the county in which the applicant's business is located.

(6) The applicant employs at least one hundred (100) employees in Indiana.

(7) The applicant has prepared a plan for the use of the credits under this chapter for:

(A) investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or

(B) other direct business related investments, including but not limited to training.



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(8) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.

(9) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(10) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(11) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed at least one dollar (\$1) of local incentives with respect to the retention of jobs for every three dollars (\$3) in credits provided under this chapter. For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.

(12) The credit is not prohibited by section 16 of this chapter.

SECTION 38. IC 6-3.1-13-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. In determining the credit amount that should be awarded **to an applicant under section 15 of this chapter that proposes a project to create jobs in Indiana**, the board shall take into consideration the following factors:

(1) The economy of the county where the projected investment is to occur.

(2) The potential impact on the economy of Indiana.

~~(3) The magnitude of the cost differential between Indiana and the competing state.~~

~~(4)~~ (3) The incremental payroll attributable to the project.

~~(5)~~ (4) The capital investment attributable to the project.

~~(6)~~ (5) The amount the average wage paid by the applicant exceeds the average wage paid within the county in which the project will be located.

~~(7)~~ (6) The costs to Indiana and the affected political subdivisions with respect to the project.

~~(8)~~ (7) The financial assistance that is otherwise provided by Indiana and the affected political subdivisions.

As appropriate, the board shall consider the factors in this section to determine the credit amount awarded to an applicant for a



project to retain existing jobs in Indiana under section 15.5 of this chapter. In the case of an applicant under section 15.5 of this chapter, the board shall consider the magnitude of the cost differential between the projected costs for the applicant's project in the competing site outside Indiana and the projected costs for the applicant's project in Indiana.

SECTION 39. IC 6-3.1-13-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. The board shall determine the amount and duration of a tax credit awarded under this chapter. The duration of the credit may not exceed ten (10) taxable years. The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. **In the case of a credit awarded for a project to create new jobs in Indiana**, the credit amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which case the excess shall be refunded to the taxpayer.

SECTION 40. IC 6-3.1-13-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. **In the case of a credit awarded for a project to create new jobs in Indiana**, the board shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

- (1) A detailed description of the project that is the subject of the agreement.
- (2) The duration of the tax credit and the first taxable year for which the credit may be claimed.
- (3) The credit amount that will be allowed for each taxable year.
- (4) A requirement that the taxpayer shall maintain operations at the project location for at least two (2) times the number of years as the term of the tax credit. **A taxpayer is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.**
- (5) A specific method for determining the number of new employees employed during a taxable year who are performing jobs not previously performed by an employee.
- (6) A requirement that the taxpayer shall annually report to the board the number of new employees who are performing jobs not previously performed by an employee, the new income tax revenue withheld in connection with the new employees, and any other information the director needs to perform the director's



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duties under this chapter.

(7) A requirement that the director is authorized to verify with the appropriate state agencies the amounts reported under subdivision (6), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.

(8) A requirement that the taxpayer shall provide written notification to the director and the board not more than thirty (30) days after the taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.

(9) Any other performance conditions that the board determines are appropriate.

SECTION 41. IC 6-3.1-13-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. In the case of a credit awarded for a project to retain existing jobs in Indiana, the board shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:**

- (1) A detailed description of the business that is the subject of the agreement.
- (2) The duration of the tax credit and the first taxable year for which the credit may be claimed.
- (3) The credit amount that will be allowed for each taxable year.
- (4) A requirement that the applicant shall maintain operations at the project location for at least two (2) times the number of years as the term of the tax credit. An applicant is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.
- (5) A requirement that the applicant shall annually report the following to the board:
 - (A) The number of employees who are employed in Indiana by the applicant.
 - (B) The compensation (including benefits) paid to the applicant's employees in Indiana.
 - (C) The amount of the:
 - (i) facility improvements;
 - (ii) equipment and machinery upgrades, repairs, or retrofits; or
 - (iii) other direct business related investments, including



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(6) A requirement that the applicant shall provide written notification to the director and the board not more than thirty (30) days after the applicant makes or receives a proposal that would transfer the applicant's state tax liability obligations to a successor taxpayer.

(7) Any other performance conditions that the board determines are appropriate.

SECTION 42. IC 6-3.1-13-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. On a biennial basis, the board shall provide for an evaluation of the tax credit program, giving first priority to using the Indiana economic development council, established under IC 4-3-14-4. The evaluation shall include an assessment of the effectiveness of the program in creating new jobs **and retaining existing jobs** in Indiana and of the revenue impact of the program, and may include a review of the practices and experiences of other states with similar programs. The director shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives after June 30 and before November 1 in each odd-numbered year.

SECTION 33. IC 6-3.1-20-7, AS ADDED BY P.L.151-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The department shall before July 1 of each year determine the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.

(b) One-half ($\frac{1}{2}$) of the amount determined by the department under subsection (a) shall be:

- (1) deducted during the year from the riverboat admissions tax revenue otherwise payable to the county under ~~IC 4-33-12-6(b)(2)~~; **IC 4-33-12-6(d)(2)**; and
- (2) paid instead to the state general fund.

(c) One-sixth ($\frac{1}{6}$) of the amount determined by the department under subsection (a) shall be:

- (1) deducted during the year from the riverboat admissions tax revenue otherwise payable under ~~IC 4-33-12-6(b)(1)~~ **IC 4-33-12-6(d)(1)** to each of the following:
 - (A) The largest city by population located in the county.
 - (B) The second largest city by population located in the county.
 - (C) The third largest city by population located in the county;
- and



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(2) paid instead to the state general fund."

Page 40, line 42, after "to" insert ":

(1)".

Page 41, line 2, delete "." and insert "; and

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900)."

Page 60, line 18, after "For" insert ":

(1)".

Page 60, line 20, delete "(200,000)," and insert "(200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);"

Page 60, line 20, beginning with "the" begin a new line blocked left.

Page 62, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 54. IC 6-8.1-9-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 14. (a) The department shall establish, administer, and make available a centralized debt collection program for use by state agencies to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by state agencies. The department's collection facilities shall be available for use by other state agencies only when resources are available to the department.**

(b) The commissioner shall prescribe the appropriate form and manner in which collection information is to be submitted to the department.

(c) The debt must be delinquent and not subject to litigation, claim, appeal, or review under the appropriate remedies of a state agency.

(d) The department has the authority to collect for the state or claimant agency (as defined in IC 6-8.1-9.5-1) delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or claimant agency that has a formal agreement with the department for central debt collection.

(e) The formal agreement must provide that the information provided to the department be sufficient to establish the obligation in court and to render the agreement as a legal judgment on behalf of the state. After transferring a file for collection to the department for collection, the claimant agency shall terminate all collection procedures and be available to provide assistance to the department. Upon receipt of a file for collection, the department

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shall comply with all applicable state and federal laws governing collection of the debt.

(f) The department may use a claimant agency's statutory authority to collect the claimant agency's delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to the claimant agency.

(g) The department's right to credit against taxes due may not be impaired by any right granted the department or other state agency under this section.

(h) The department of state revenue may charge the claimant agency a fee not to exceed fifteen percent (15%) of any funds the department collects for a claimant agency. Notwithstanding any law concerning delinquent accounts, charges, fees, loans, taxes, or other indebtedness, the fifteen percent (15%) fee shall be added to the amount due to the state or claimant agency when the collection is made.

(i) Fees collected under subsection (h) shall be retained by the department after the debt is collected for the claimant agency and are appropriated to the department for use by the department in administering this section.

(j) The department shall transfer any funds collected from a debtor to the claimant agency within thirty (30) days after the end of the month in which the funds were collected.

(k) When a claimant agency requests collection by the department, the claimant agency shall provide the department with:

- (1) the full name;
- (2) the Social Security number or federal identification number, or both;
- (3) the last known mailing address; and
- (4) additional information that the department may request; concerning the debtor.

(l) The department shall establish a minimum amount that the department will attempt to collect for the claimant agency.

(m) The commissioner shall report, not later than March 1 for the previous calendar year, to the governor, the budget director, and the legislative council concerning the implementation of the centralized debt collection program, the number of debts, the dollar amounts of debts collected, and an estimate of the future costs and benefits that may be associated with the collection program."

Page 67, between lines 31 and 32, begin a new paragraph and insert:



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"SECTION 61. IC 12-7-2-128.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 128.5. "Medical institution", for purposes of IC 12-15-8.5, has the meaning set forth in IC 12-15-8.5-1.**

SECTION 62. IC 12-15-2-17, AS AMENDED BY P.L.272-1999, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. (a) Except as provided in ~~subsection~~ **subsections (b) and (d)**, if an applicant for or a recipient of Medicaid:

(1) establishes one (1) irrevocable trust that has a value of not more than ten thousand dollars (\$10,000), exclusive of interest, and is established for the sole purpose of providing money for the burial of the applicant or recipient;

(2) enters into an irrevocable prepaid funeral agreement having a value of not more than ten thousand dollars (\$10,000); or

(3) owns a life insurance policy with a face value of not more than ten thousand dollars (\$10,000) and with respect to which provision is made to pay not more than ten thousand dollars (\$10,000) toward the applicant's or recipient's funeral expenses; the value of the trust, prepaid funeral agreement, or life insurance policy may not be considered as a resource in determining the applicant's or recipient's eligibility for Medicaid.

(b) **Subject to subsection (d)**, if an applicant for or a recipient of Medicaid establishes an irrevocable trust or escrow under IC 30-2-13, the entire value of the trust or escrow may not be considered as a resource in determining the applicant's or recipient's eligibility for Medicaid.

(c) If an applicant for or a recipient of Medicaid owns resources described in subsection (a) and the total value of those resources is more than ten thousand dollars (\$10,000), the value of those resources that is more than ten thousand dollars (\$10,000) may be considered as a resource in determining the applicant's or recipient's eligibility for Medicaid.

(d) **In order for a trust, an escrow, a life insurance policy, or a prepaid funeral agreement to be exempt as a resource in determining an applicant's or recipient's eligibility for Medicaid under this section, the applicant or recipient must designate the office or the applicant's or recipient's estate to receive any remaining amounts after delivery of all services and merchandise under the contract as reimbursement for Medicaid assistance provided to the applicant or recipient after age fifty-five (55). The office may receive funds under this subsection only to the extent**

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permitted by 42 U.S.C. 1396p. The computation of remaining amounts shall be made as of the date of delivery of services and merchandise under the contract and must be the excess, if any, derived from:

- (1) growth in principal;
 - (2) accumulation and reinvestment of dividends;
 - (3) accumulation and reinvestment of interest; and
 - (4) accumulation and reinvestment of distributions;
- on the applicant's or recipient's trust, escrow, life insurance policy, or prepaid funeral agreement over and above the seller's current retail price of all services, merchandise, and cash advance items set forth in the applicant's or recipient's contract.

SECTION 63. IC 12-15-8.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

Chapter 8.5. Liens on Real Property of Medicaid Recipients

Sec. 1. As used in this chapter, "medical institution " means any of the following:

- (1) A hospital.
- (2) A nursing facility.
- (3) An intermediate care facility for the mentally retarded.

Sec. 2. Subject to section 10 of this chapter, when the office, in accordance with 42 U.S.C. 1396p, determines that a Medicaid recipient who resides in a medical institution cannot reasonably be expected to be discharged from a medical institution and return home, the office may obtain a lien on the Medicaid recipient's real property for the cost of all Medicaid expenditures made on behalf of the recipient.

Sec. 3. The office may not obtain a lien under this chapter if any of the following persons lawfully reside in the home of the Medicaid recipient who resides in the medical institution:

- (1) The Medicaid recipient's spouse.
- (2) The Medicaid recipient's child who is:
 - (A) less than twenty-one (21) years of age; or
 - (B) disabled as defined by the federal Supplemental Security Income program.
- (3) The Medicaid recipient's sibling who has an ownership interest in the home and who has lived in the home continuously beginning at least twelve (12) months before the recipient was admitted to the medical institution.
- (4) The Medicaid recipient's parent.
- (5) An individual, other than a paid caregiver, who:



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- (A) was continuously residing in the recipient's home for a period of at least two (2) years immediately prior to the date of the recipient's admission to the nursing facility; and
- (B) establishes to the satisfaction of the office that the person provided care to the recipient enabling the recipient to reside in the recipient's home rather than in a medical institution.

Sec. 4. Before obtaining a lien on a Medicaid recipient's real property under this chapter, the office shall notify in writing the Medicaid recipient or the Medicaid recipient's authorized representative, if applicable, of the following:

- (1) The office's determination that the Medicaid recipient cannot reasonably be expected to be discharged from the medical institution.
- (2) The office's intent to impose a lien on the Medicaid recipient's home.
- (3) The Medicaid recipient's right to a hearing under IC 12-15-28 upon the Medicaid recipient's request regarding whether the requirements for the imposition of a lien are satisfied. No lien shall be filed until the hearing process is completed if a hearing is requested.

Sec. 5. (a) The office shall obtain a lien under this chapter by filing a notice of lien with the recorder of the county in which the real property subject to the lien is located. The notice shall be filed prior to the recipient's death and shall include the following:

- (1) The name and place of residence of the individual against whose property the lien is asserted.
- (2) A legal description of the real property subject to the lien.
- (b) Upon the office's request, the county auditor or assessor of a county shall furnish the office with the legal description of any property in the county registered to the recipient.
- (c) The office shall file one (1) copy of the notice of lien with the county office of family and children in the county in which the real property is located. The county office of family and children shall retain a copy of the notice with the county office's records.
- (d) The office shall provide one (1) copy of the notice of lien to the recipient or the Medicaid recipient's authorized representative, if applicable, whose real property is affected.

Sec. 6. (a) Beginning on the date on which a notice of lien is recorded in the office of the county recorder under section 5 of this chapter, the notice of lien:

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- (1) constitutes due notice of a lien against the Medicaid recipient's real property for any amount then recoverable and any amount that becomes recoverable under this article; and
- (2) gives a specific lien in favor of the office.

(b) The lien continues from the date of filing the lien until the lien is satisfied or released.

Sec. 7. The office may bring proceedings in foreclosure on a lien arising under this chapter:

- (1) during the lifetime of the Medicaid recipient if the Medicaid recipient or a person acting on behalf of the Medicaid recipient sells the property; or
- (2) upon the death of the Medicaid recipient.

Sec. 8. (a) The office may not enforce a lien under this chapter if the Medicaid recipient is survived by any of the following:

- (1) The recipient's spouse.
- (2) The recipient's child who is:
 - (A) less than twenty-one (21) years of age; or
 - (B) disabled as defined by the federal Supplemental Security Income program.
- (3) The recipient's parent.

(b) The office may not enforce a lien under this chapter as long as any of the following individuals reside in the home:

- (1) The recipient's child of any age if the child:
 - (A) resided in the home for at least twenty-four (24) months before the Medicaid recipient was admitted to the medical institution;
 - (B) provided care to the Medicaid recipient that delayed the Medicaid recipient's admission to the medical institution; and
 - (C) has resided in the home on a continuous basis since the date of the individual's admission to the medical institution.
- (2) The Medicaid recipient's sibling who has an ownership interest in the home and who has lived in the home continuously beginning at least twelve (12) months before the Medicaid recipient was admitted to the medical institution.

Sec. 9. (a) The office shall release a lien imposed under this chapter within ten (10) business days after the county office of family and children receives notice that the Medicaid recipient:

- (1) was discharged from the medical institution; and
- (2) is living in the home.

(b) The county recorder shall waive the filing fee for the filing

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of a release made under this section.

(c) If the property subject to the lien is sold, the office shall release its lien at the closing, and the lien shall attach to the net proceeds of the sale.

Sec. 10. (a) The office may not enforce a lien against property with a value equal to or less than seventy-five thousand dollars (\$75,000.00). If the value of the property subject to the lien exceeds seventy-five thousand dollars (\$75,000.00), the value of the property equal to or less than seventy-five thousand dollars (\$75,000.00) is exempt from the lien.

(b) This section expires January 1, 2008.

Sec. 11. (a) As used in this section "financial institution" means a bank, a trust company, a corporate fiduciary, a savings association, a credit union, a savings bank, a bank of discount and deposit, or an industrial loan and investment company organized or reorganized under the laws of this state, another state (as defined in IC 28-2-17-19), or United States law. The term also includes a consumer finance institution licensed to make supervised or regulated loans under IC 24-4.5.

(b) A lien obtained under this chapter is subordinate to the security interest of a financial institution that loans money for any of the following purposes:

- (1)** The payment of taxes, insurance, maintenance, and repairs in order to preserve and maintain the property.
- (2)** Operating capital for the operation of a farm, business, or income producing real property.
- (3)** The payment of medical, dental, or optical expenses incurred by the recipient, the recipient's spouse, a dependent parent, or a child who is less than twenty-one (21) years of age or who is disabled under criteria established by the federal Supplemental Security Income program.
- (4)** The reasonable costs and expenses for the support, maintenance, comfort, and education of the recipient's spouse, a dependent parent, or a child who is less than twenty-one (21) years of age or who is disabled under criteria established by the federal Supplemental Security Income program.

SECTION 64. IC 12-15-9-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 0.5. As used in this chapter, "estate" includes:

- (1)** all real and personal property and other assets included within an individual's probate estate; **and**
- (2)** any other real and personal property and other assets in



which the individual had legal title or an interest at the time of death to the extent of the individual's interest, including assets conveyed to a survivor, an heir, or an assign of the deceased individual through any of the following:

- (A) Joint tenancy.
- (B) Tenancy in common.
- (C) Survivorship.
- (D) Life estate.
- (E) Trust, except for a trust:
 - (i) that meets the requirements of 42 U.S.C. 1396p(d)(4); or
 - (ii) that is funded with assets of a person other than the individual or the individual's spouse.
- (F) Any other arrangement.

SECTION 65. IC 12-15-9-0.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 0.6. (a) This section applies only to assets that are not included within an individual's probate estate.**

(b) The office may enforce its claim only to the extent that the value of the property subject to the claim exceeds seventy-five thousand dollars (\$75,000.00).

(c) This section expires January 1, 2008.

SECTION 66. IC 12-15-9-0.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 0.7. (a) This section applies only to assets that are not included within an individual's probate estate.**

(b) As used in this section "nonprobate transferee" means a person receiving property described in section 0.5 of this chapter.

(c) The liability of a nonprobate transferee for the office's claim under this chapter may not:

- (1) exceed the value of the nonprobate transfers received or controlled by the transferee; and**
- (2) include the net contributions of the transferee.**

(d) Upon notice to a nonprobate transferee, the office may enforce its claim in a proceeding in Indiana in the county in which the:

- (1) transfer occurred;**
- (2) transferee is located; or**
- (3) probate action is pending.**

(e) Enforcement of a claim against assets that are not included within an individual's probate estate must be commenced not later than twelve (12) months after the decedent's death.



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SECTION 67. IC 12-15-9-0.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2002]: **Sec. 0.8. Any nonprobate assets:**

(1) that the office determined were exempt or unavailable assets; or

(2) that were transferred out of the probate estate;

before May 1, 2002, may not be included in the definition of estate under this chapter.

SECTION 68. IC 12-15-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. An applicant for or a recipient of Medicaid may appeal to the office if one (1) of the following occurs:

(1) An application or a request is not acted upon by the county office within a reasonable time after the application or request is filed.

(2) The application is denied.

(3) The applicant or recipient is dissatisfied with the action of the county office.

(4) The recipient is dissatisfied with a determination made by the office under IC 12-15-8.5."

Page 72, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 69. IC 33-3-5-2.5, AS ADDED BY P.L.151-2001, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) and less than seven hundred thousand (700,000).

(b) As used in this section, "contractor" means ~~the a~~ general reassessment, **general reassessment review, or special reassessment** contractor of the ~~state board department of tax commissioners local government finance~~ under IC 6-1.1-4-32.

(c) As used in this section, "qualifying official" refers to any of the following:

(1) A county assessor of a qualifying county.

(2) A township assessor of a township located in a qualifying county.

(3) The county auditor of a qualifying county.

(4) The treasurer of a qualifying county.

(5) The county surveyor of a qualifying county.

(6) A member of the land valuation committee in a qualifying county.

(7) Any other township or county official in a qualifying county who has possession or control of information necessary

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or useful for a general reassessment, general reassessment review, or special reassessment of property to which IC 6-1.1-4-32 applies, including information in the possession or control of an employee or a contractor of the official.

(8) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted for payment under IC 6-1.1-4-32.

(d) Upon petition from ~~(1) the state board department of tax commissioners; local government finance~~ or (2) ~~the~~ a contractor, the tax court may order a ~~township assessor in a qualifying county or a county assessor of a qualifying county~~ **qualifying official** to:

(1) produce information requested in writing from the ~~township assessor or county assessor~~ **qualifying official** by the ~~state board department of tax commissioners local government finance~~ or the contractor; or

(2) pay a bill submitted to the qualifying county or a **qualifying official in conformity with IC 6-1.1-4-32.**

~~(d)~~ (e) If the tax court orders a ~~township assessor or county assessor~~ **qualifying official** to provide requested information or pay a bill as described in subsection ~~(b); (d)~~, the tax court shall order production of the information or payment of the bill not later than fourteen (14) days after the date of the tax court's order.

~~(e)~~ (f) The tax court may find that any willful violation of this section by a ~~township assessor or county assessor~~ **qualifying official** constitutes a direct contempt of the tax court."

Page 73, line 28, delete "an executive (as)".

Page 73, delete line 29.

Page 73, line 30, delete "township assessor under IC 36-6-5-2,".

Page 74, line 3, delete "an executive (as defined in IC 36-1-2-5)".

Page 74, delete line 4.

Page 74, line 5, delete "under IC 36-6-5-2,".

Page 75, line 26, after "assessor" insert "**or elected township assessor**".

Page 82, line 37, delete "IC 6-1.1-4-13.6; IC 6-1.1-4-13.8;".

Page 76, between lines 26 and 27, begin a new paragraph and insert: "SECTION 71. IC 36-7-13-2.4, AS AMENDED BY P.L.174-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.4. **Except as provided in section 10.7(c) of this chapter**, as used in this chapter, "gross retail base period amount" means:

(1) the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the

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territory comprising a district during the full state fiscal year that precedes the date on which:

- (A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or
 - (B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter; or
 - (2) an amount equal to:
 - (A) the aggregate amount of state gross retail and use taxes remitted:
 - (i) under IC 6-2.5 by the businesses operating in the territory comprising a district; and
 - (ii) during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by
 - (B) twelve (12);
- in the case of a district that is described in section 12(c) of this chapter.

SECTION 72. IC 36-7-13-3.2, AS AMENDED BY P.L.174-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.2. **Except as provided in section 10.7(d) of this chapter**, as used in this chapter, "income tax base period amount" means:

- (1) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district for the state fiscal year that precedes the date on which:
 - (A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or
 - (B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter; or
- (2) an amount equal to:
 - (A) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by
 - (B) twelve (12);



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in the case of a district that is described in section 12(c) of this chapter.

SECTION 73. IC 36-7-13-10.5, AS ADDED BY P.L.174-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.5. (a) This section applies only to a county that meets the following conditions:

- (1) The county's annual rate of unemployment has been above the average annual statewide rate of unemployment during at least three (3) of the preceding five (5) years.
- (2) The median income of the county has:
 - (A) declined over the preceding ten (10) years; or
 - (B) has grown at a lower rate than the average annual statewide growth in median income during at least three (3) of the preceding five (5) years.
- (3) The population of the county (as determined by the legislative body of the county) has declined over the preceding ten (10) years.

(b) **Except as provided in section 10.7 of this chapter**, in a county described in subsection (a), the legislative body of the county may adopt an ordinance designating an unincorporated part or unincorporated parts of the county as a district, and the legislative body of a municipality located within the county may adopt an ordinance designating a part or parts of the municipality as a district, if the legislative body finds all of the following:

- (1) The area to be designated as a district contains a building or buildings that:
 - (A) ~~have in aggregate~~, a total of at least fifty thousand (50,000) square feet of usable interior floor space; and
 - (B) are vacant or will become vacant due to the relocation of the employer or the ~~ceasing~~ **cessation** of operations on the site by the employer.
- (2) Significantly fewer persons are employed in the area to be designated as a district than were employed in the area during the year that is ten (10) years previous to the current year.
- (3) There are significant obstacles to redevelopment in the area due to any of the following problems:
 - (A) Obsolete or inefficient buildings.
 - (B) Aging infrastructure or inefficient utility services.
 - (C) Utility relocation requirements.
 - (D) Transportation or access problems.
 - (E) Topographical obstacles to redevelopment.
 - (F) Environmental contamination or remediation.



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(c) A legislative body adopting an ordinance under subsection (b) shall designate the duration of the district. However, the duration may not exceed fifteen (15) years from the time of designation.

(d) **Except as provided in section 10.7 of this chapter**, upon adoption of an ordinance designating a district, the legislative body shall submit the ordinance to the budget committee for review and recommendation to the budget agency.

(e) **Except as provided in section 10.7 of this chapter**, when considering the designation of a district by an ordinance adopted under this section, the budget committee and the budget agency must make the following findings before approving the designation of the district:

- (1) The area to be designated as a district meets the conditions necessary for the designation as a district.
- (2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(f) **Except as provided in section 10.7 of this chapter**, the income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the budget agency approves the designation of the district by the local ordinance.

SECTION 74. IC 36-7-13-10.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.7. (a) This section applies to a district designated under section 10.5 of this chapter and approved by the budget agency before January 1, 2002, in a city having a population of more than thirty-one thousand (31,000) but less than thirty-two thousand (32,000).**

(b) An area is added to and becomes part of a district described in subsection (a) if the area consists of property that:

- (1) is located in a city having a population of more than thirty-one thousand (31,000) but less than thirty-two thousand (32,000); and**
- (2) experienced a loss of at least three hundred (300) jobs during the calendar year ending December 31, 2001.**

(c) After the addition of property to a district described in subsection (a) under this section, the gross retail base period amount determined under section 2.4 of this chapter for the district before the addition of the property to the district under this section shall be increased by an amount equal to:

- (1) the aggregate amount of state gross retail and use taxes remitted:**
 - (A) under IC 6-2.5 by the businesses operating in the area**

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added to the district under subsection (b); and
 (B) during the period beginning after December 31, 2001,
 and ending before February 1, 2002; multiplied by

(2) twelve (12).

(d) After the addition of property to a district described in subsection (a) under this section, the income tax base period amount determined under section 3.2 of this chapter for the district before the addition of the property to the district under this section shall be increased by an amount equal to:

(1) the aggregate amount of state and local income taxes paid:

(A) by employees employed in the area added to the district under subsection (b) with respect to wages and salary earned for work in the area added; and

(B) during the period beginning after December 31, 2001, and ending before February 1, 2002; multiplied by

(2) twelve (12).

(e) The addition of property to a district under this section does not require adoption of an ordinance, review by the budget committee, or approval of the budget agency under section 10.5 of this chapter."

Page 76, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 71. IC 36-7-26-1, AS AMENDED BY P.L.291-2001, SECTION 200, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 1. This chapter applies to the following:

(1) A city having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

(2) A city having a population of more than ~~ninety thousand (90,000)~~ but less than ~~one hundred ten thousand (110,000)~~: **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).**

(3) A city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000).

(4) A city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000).

SECTION 72. IC 36-7-26-23, AS AMENDED BY P.L.291-2001, SECTION 202, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 23. (a) Before the first business day in October of each year, the board shall require the department to calculate the net increment for the preceding state



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fiscal year. The department shall transmit to the board a statement as to the net increment in sufficient time to permit the board to review the calculation and permit the transfers required by this section to be made on a timely basis.

(b) There is established a sales tax increment financing fund to be administered by the treasurer of state. The fund is comprised of two (2) accounts called the net increment account and the credit account.

(c) On the first business day in October of each year, that portion of the net increment calculated under subsection (a) that is needed:

(1) to pay debt service on the bonds issued under section 24 of this chapter or to pay lease rentals under section 24 of this chapter; and

(2) to establish and maintain a debt service reserve established by the commission or by a lessor that provides local public improvements to the commission;

shall be transferred to and deposited in the fund and credited to the net increment account. Money credited to the net increment account is pledged to the purposes described in subdivisions (1) and (2), subject to the other provisions of this chapter.

(d) On the first business day of October in each year, the remainder of:

(1) eighty percent (80%) of the gross increment; minus

(2) the amount credited to the net increment account on the same date;

shall be transferred and credited to the credit account.

(e) The remainder of:

(1) the gross increment; minus

(2) the amounts credited to the net increment account and the credit account;

shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(f) A city described in section 1(2), 1(3), or 1(4) of this chapter may receive not more than fifty percent (50%) of the net increment each year. During the time a district exists in a city described in section ~~1(2)~~, 1(3) or 1(4) of this chapter, not more than a total of one million dollars (\$1,000,000) of net increment may be paid to the city described in section ~~1(2)~~, 1(3) or 1(4) of this chapter. **During each year that a district exists in a city described in section 1(2) of this chapter, not more than one million dollars (\$1,000,000) of net increment may be paid to the city described in section 1(2) of this chapter.**

(g) The auditor of state shall disburse all money in the fund that is credited to the net increment account to the commission in equal

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semiannual installments on November 30 and May 31 of each year.

SECTION 73. IC 36-7-26-24, AS AMENDED BY P.L.185-2001, SECTION 9, AND AS AMENDED BY P.L.291-2001, SECTION 203, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 24. (a) The commission may issue bonds, payable in whole or in part, from money distributed from the fund to the commission, to finance a local public improvement under IC 36-7-14-25.1 or may make lease rental payments for a local public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The term of any bonds issued under this section may not exceed twenty (20) years, nor may the term of any lease agreement entered into under this section exceed twenty (20) years. The commission shall transmit to the board a transcript of the proceedings with respect to the issuance of the bonds or the execution and delivery of a lease agreement as contemplated by this section. The transcript must include a debt service or lease rental schedule setting forth all payments required in connection with the bonds or the lease rentals.

(b) On January 15 of each year, the commission shall remit to the treasurer of state the money disbursed from the fund that is credited to the net increment account that exceeds the amount needed to pay debt service or lease rentals and to establish and maintain a debt service reserve under this chapter in the prior year and before May 31 of that year. Amounts remitted under this subsection shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(c) The commission in a city described in section 1(2) of this chapter may ~~only~~ distribute money from the fund ~~only~~ for the following:

- (1) Road, interchange, and right-of-way improvements. ~~and for~~
- (2) Acquisition costs of a commercial retail facility and for** real property acquisition costs in furtherance of the road, interchange, and right-of-way improvements.
- (3) Demolition of commercial property and any related expenses incurred before or after the demolition of the commercial property.**
- (4) For physical improvements or alterations of property that enhance the commercial viability of the district.**

(d) The commission in a city described in section 1(3) of this chapter may distribute money from the fund only for the following purposes:

- (1) For road, interchange, and right-of-way improvements and for real property acquisition costs in furtherance of the road, interchange, and right-of-way improvements.



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(2) For the demolition of commercial property and any related expenses incurred before or after the demolition of the commercial property.

(e) The commission in a city described in section 1(4) of this chapter may distribute money from the fund only for the following purposes:

(1) For:

(A) the acquisition, demolition, and renovation of property; and

(B) site preparation and financing; related to the development of housing in the district.

(2) For physical improvements or alterations of property that enhance the commercial viability of the district."

Page 86, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 96. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 36-7-13-13(a), the legislative body of a unit that designates a community revitalization enhancement district described in IC 36-7-13-10.7(a), as added by this act, shall send to the department of state revenue by certified mail the updated list:

(1) required under IC 36-7-13-13(a); and

(2) listing the:

(A) employers in the district; and

(B) street names and the range of street numbers of each street in the district;

after the addition of property to the district under IC 36-7-13-10.7(b), as added by this act, not later than May 31, 2002.

(b) Notwithstanding IC 36-7-13-13(b), the department of state revenue shall calculate the:

(1) gross retail base period amount for the district described in subsection (a) as required under IC 36-7-13-10.7(c), as added by this act; and

(2) income tax base period amount for the district described in subsection (a) as required under IC 36-7-13-10.7(d), as added by this act;

not later than June 30, 2002.

(c) Notwithstanding IC 36-7-13-14, for the state fiscal year ending June 30, 2002, the department of state revenue shall calculate the:

(1) gross retail incremental amount for the district described in subsection (a) using the gross retail base period amount determined under subsection (b)(1); and



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(2) income tax incremental amount for the district described in subsection (a) using the income tax base period amount determined under subsection (b)(2).

(d) This SECTION expires June 30, 2003."

Page 86, between lines 13 and 14, begin a new paragraph and insert:
"SECTION 92. [EFFECTIVE JULY 1, 2002] IC 4-33-12-6, as amended by this act, applies to riverboat admissions taxes collected after June 30, 2002.

SECTION 98. [EFFECTIVE JULY 1, 2002] (a) To the extent that IC 6-1.1-18-9, IC 6-1.1-35-9, and IC 6-1.1-35-11, all as amended by this act, apply to contracts for services with respect to undervalued or omitted property, those sections apply only to contracts for services with respect to assessment dates after December 31, 2002.

(b) This SECTION expires January 1, 2003."

Page 83, between lines 41 and 42, begin a new paragraph and insert:
"SECTION 89. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: (a) IC 6-1.1-3-8.5 and IC 6-1.1-8-4.5, both as added by this act, apply to assessments for assessment dates after February 28, 2002.

(b) This SECTION expires January 1, 2003."

Page 86, between lines 13 and 14, begin a new paragraph and insert:
"SECTION 96. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 36-7-13-13(a), the legislative body of a unit that designates a community revitalization enhancement district described in IC 36-7-13-10.7(a), as added by this act, shall send to the department of state revenue by certified mail the updated list:

(1) required under IC 36-7-13-13(a); and

(2) listing the:

(A) employers in the district; and

(B) street names and the range of street numbers of each street in the district;

after the addition of property to the district under IC 36-7-13-10.7(b), as added by this act, not later than May 31, 2002.

(b) Notwithstanding IC 36-7-13-13(b), the department of state revenue shall calculate the:

(1) gross retail base period amount for the district described in subsection (a) as required under IC 36-7-13-10.7(c), as added by this act; and

(2) income tax base period amount for the district described in subsection (a) as required under IC 36-7-13-10.7(d), as added by this act;



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not later than June 30, 2002.

(c) Notwithstanding IC 36-7-13-14, for the state fiscal year ending June 30, 2002, the department of state revenue shall calculate the:

- (1) gross retail incremental amount for the district described in subsection (a) using the gross retail base period amount determined under subsection (b)(1); and
- (2) income tax incremental amount for the district described in subsection (a) using the income tax base period amount determined under subsection (b)(2).

(d) This SECTION expires June 30, 2003."

Page 86, between lines 13 and 14, begin a new paragraph and insert:
"SECTION 95. [EFFECTIVE JANUARY 1, 2001
(RETROACTIVE)]: (a) This SECTION applies notwithstanding:

- (1) IC 6-1.1-3-7.5;
- (2) IC 6-1.1-10-31.1;
- (3) IC 6-1.1-11;
- (4) 50 IAC 4.2-12-1;
- (5) 50 IAC 16-3-2; and
- (6) 50 IAC 16-4-1.

(b) For purposes of this SECTION, "taxpayer" means a taxpayer that filed a personal property tax return under IC 6-1.1-3 for the March 1, 2001, assessment date:

- (1) in a township having a population of more than ninety-three thousand (93,000) but less than one hundred ten thousand (110,000) located in a county containing a consolidated city; and
- (2) on which the taxpayer reported a total assessed value of personal property of more than fifty-five million dollars (\$55,000,000) and less than fifty-six million dollars (\$56,000,000).

(c) A taxpayer may before January 1, 2003, file an amended personal property tax return for the March 1, 2001, assessment date.

(d) With respect to an amended personal property tax return filed under subsection (c), a taxpayer is entitled to an exemption of tangible personal property under IC 6-1.1-10-29, IC 6-1.1-10-29.3, and IC 6-1.1-10-30 based on:

- (1) the total cost of inventory reported on Schedule B of the Form 103 filed as part of the amended personal property tax return; and
- (2) the ratio reported on the Form 103W filed as part of the

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taxpayer's return referred to in subsection (b).

(e) A taxpayer shall pay taxes first due and payable in 2002 based on the assessed value of personal property reported in the amended personal property tax return filed under subsection (c).

(f) This SECTION applies only to personal property taxes first due and payable in 2002.

(g) This SECTION expires January 1, 2003."

Page 86, between lines 13 and 14, begin a new paragraph and insert: "SECTION 92. [EFFECTIVE UPON PASSAGE] (a) The definitions contained in IC 6-1.1-12.1 apply to this SECTION.

(b) This SECTION applies to a property owner who:

(1) is located in an economic revitalization area situated in a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(2) during February of 1999, was determined by a designating body to be entitled to receive deductions for new manufacturing equipment under IC 6-1.1-12.1-4.5;

(3) has substantially complied with the statement of benefits filed under IC 6-1.1-12.1-4.5, including job creation or retention, capital investment, and any other requirements imposed by the designating body; and

(4) failed to timely file deduction applications under IC 6-1.1-12.1-5.5 for the property tax deduction under IC 6-1.1-12.1-4.5 with respect to deductions for property taxes first due and payable in 2001 and 2002.

(c) Notwithstanding IC 6-1.1-12.1, the property owner is entitled to the deductions described in subsection (b)(4) for property taxes first due and payable in 2001 and 2002 if, before June 1, 2002, the property owner files the deduction applications that would have been necessary to obtain those deductions under IC 6-1.1-12.1.

(d) Assessed value deductions granted under this SECTION apply to the property owner's property taxes first due and payable in 2001 and 2002. Notwithstanding any other law, the property owner may, before June 1, 2002, file amended personal property tax returns for property taxes first due and payable in 2001 and 2002. However, the interest provided for in IC 6-1.1-37-11 does not apply to a property tax refund due the property owner as a result of this SECTION.

(e) This SECTION expires December 31, 2003."

Page 17, between lines 33 and 34, begin a new paragraph and insert: "SECTION 14. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.4-2000,

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SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment or new research and development equipment, or both, for which the person desires to claim a deduction under this chapter. The state board of tax commissioners shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

- (1) A description of the new manufacturing equipment or new research and development equipment, or both, that the person proposes to acquire.
- (2) With respect to:
 - (A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and
 - (B) new research and development equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment or new research and development equipment, or both, and an estimate of the annual salaries of these individuals.
- (3) An estimate of the cost of the new manufacturing equipment or new research and development equipment, or both.
- (4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

With the approval of the state board of tax commissioners, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has

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made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment or new research and development equipment, or both, is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment or new research and development equipment, or both.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in subsection (f), an owner of new manufacturing equipment whose statement of benefits is approved before May 1, 1991, is entitled to a deduction from the assessed value of that equipment for a period of five (5) years. Except as provided in subsections (f) and (i), an owner of new manufacturing equipment or new research and development equipment, or both, whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from

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the assessed value of that equipment for the number of years determined by the designating body under subsection (h). Except as provided in subsections (f) and (g) and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

- (1) the assessed value of the new manufacturing equipment or new research and development equipment, or both, in the year that the equipment is installed; multiplied by
- (2) the percentage prescribed in the table set forth in subsection (e).

For purposes of determining the deduction from assessed value under this subsection in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000), construction in process as of an assessment date is treated as having been installed to the extent it would have been assessed as new manufacturing equipment or new research and development equipment if it had been installed before that assessment date.

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

- (1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

- (2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

- (3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

- (4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%



(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%
6th and thereafter	0%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	25%
7th and thereafter	0%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%
8th and thereafter	0%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%
9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%

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3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%
10th and thereafter	0%

(10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%
5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment or new research and development equipment, or both, to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process, **except in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000)**) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process, **except in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000)**) in the immediately preceding year.

(g) If a deduction is not fully allowed under subsection (f) in the first year the deduction is claimed, then the percentages specified in subsection (d) or (e) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(h) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled



to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the state board of tax commissioners. A certified copy of the resolution shall be sent to the county auditor and the state board of tax commissioners.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(i) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

- (1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or
- (2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm."

Page 83, between lines 41 and 42, begin a new paragraph and insert: "SECTION 88. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: (a) **IC 6-1.1-12.1-4.5, as amended by this act, applies only to property taxes first due and payable after December 31, 2002.**

(b) This SECTION expires January 1, 2004."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1196 as reprinted February 5, 2002.)

BORST, Chairperson

Committee Vote: Yeas 15, Nays 0.



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SENATE MOTION

Mr. President: I move that Engrossed House Bill 1196 be amended to read as follows:

Page 88, after line 42, begin a new paragraph and insert:

"SECTION 79. IC 6-8.1-3-7.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 7.1. (a) "Fiscal officer" has the meaning set forth in IC 36-1-2-7.**

(b) The department shall enter into an agreement with the fiscal officer of an entity that has adopted an innkeeper's tax, a food and beverage tax, or an admissions tax under IC 6-9 to furnish the fiscal officer annually with:

(1) the name of each business collecting the taxes listed in this subsection; and

(2) the amount of money collected from each business.

(c) The agreement must provide that the department must provide the information in an electronic format that the fiscal officer can use, as well as a paper copy.

(d) The agreement must include a provision that, unless in accordance with a judicial order, the fiscal officer, employees of the fiscal officer, former employees of the fiscal officer, counsel of the fiscal officer, agents of the fiscal officer, or any other person may not divulge the names of the businesses, the amount of taxes paid by the businesses, or any other information disclosed to the fiscal officer by the department."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1196 as printed February 22, 2002.)

GARD

SENATE MOTION

Mr. President: I move that House Bill 1196 be amended to read as follows:

Page 56, line 40, delete "commissioners" and insert **"commissioners, a county assessor, or an elected township assessor"**.

Page 57, line 7, delete "commissioners" and insert **"commissioners, a county assessor, or an elected township assessor"**.

Page 57, line 22, delete "commissioners" and insert

EH 1196—LS 7253/DI 52+



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"commissioners, a county assessor, or an elected township assessor".

Page 58, line 5, delete "commissioners" and insert **"commissioners, a county assessor, or an elected township assessor"**.

Page 58, line 24, delete "commissioners" and insert **"commissioners, a county assessor, or an elected township assessor"**.

Page 58, line 33, delete "board" and insert **"board, a county assessor, or an elected township assessor"**.

Page 58, line 38, after "enters" insert **"a"**.

Page 58, line 38, after "or" insert **"an"**.

Page 59, line 11, after "commissioners," insert **"a"**.

Page 59, line 11, after "or" insert **"an"**.

(Reference is to EHB 1196 as printed February 22, 2002.)

KENLEY

SENATE MOTION

Mr. President: I move that Engrossed House Bill 1196 be amended to read as follows:

Page 107, delete lines 9 through 42.

Page 108, delete lines 1 through 12.

Page 129, delete lines 14 through 19.

Re-number all SECTIONS consecutively.

(Reference is to EHB 1196 as printed February 22, 2002.)

LANDSKE

SENATE MOTION

Mr. President: I move that Engrossed House Bill 1196 be amended to read as follows:

Page 60, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 47. IC 6-2.5-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. (a) As used in this section, "broadband service" means a connection to the Internet at speeds greater than two hundred (200) kilobits per second downstream.

EH 1196—LS 7253/DI 52+



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(b) As used in this section, "broadband service provider" means a person or entity providing broadband service.

(c) As used in this section, "customer" refers to a customer who receives broadband service from a broadband service provider.

(d) The following transactions involving tangible personal property are exempt from the state gross retail tax: if:

(1) ~~the~~ Transactions involving property that is:

(A) classified as central office equipment, station equipment or apparatus, station connection, wiring, or large private branch exchanges according to the uniform system of accounts which was adopted and prescribed for the utility by the Indiana utility regulatory commission; or

(B) mobile telecommunications switching office equipment, radio or microwave transmitting or receiving equipment, including, without limitation, towers, antennae, and property that perform a function similar to the function performed by any of the property described in clause (A). ~~and~~

(2) ~~the~~ Transactions involving property described in this subdivision are exempt from the state gross retail tax only if the person acquiring the property furnishes or sells intrastate telecommunication service in a retail transaction described in IC 6-2.5-4-6.

(2) Transactions involving property that is:

(A) capable of providing broadband service;

(B) owned by or leased to a broadband service provider; and

(C) located outside a customer's premises.

The exemption provided by this subdivision does not apply to transactions involving property that is normally located inside a customer's premises, including personal computers, modems, set top boxes, and related items used by the customer to facilitate broadband connection within the customer's home or business."

Page 126, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 133. [EFFECTIVE JULY 1, 2002] IC 6-2.5-5-13(d)(2), as added by this act, applies to retail transactions occurring after June 30, 2002."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1196 as printed February 22, 2002.)

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